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30 June - 2 July 2015

Conference Proceedings

Hosted by Kingston Business School
Jointly organised by Alexander Technological Educational Institute of Thessaloniki (ATEI) and Kingston Business School, Kingston University, London
Welcome to the 3rd International Conference on Contemporary Marketing Issues
30 June – 2 July 2015

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Welcome to the 3rd International Conference on Contemporary Marketing Issues (ICCMI), hosted by Kingston Business School, Kingston University, London. This is the first time that ICCMI is held outside Greece and demonstrates the determination of the organising committee to develop the conference as a truly international forum for the exchange of marketing ideas.

We are privileged to have the participation of two distinguished keynote speakers, both pre-eminent within their professions. Clive Humby gives the opening keynote address “Understanding Customers: From Social Class to Social Media” on Tuesday morning, and Michael Baker delivers the closing address “Marketing for the Social Good” on Thursday afternoon.

We are pleased to announce additional programme plenary sessions that put the spotlight on contemporary marketing from the perspective of the practitioner. On Wednesday morning Jon Puleston will offer insights into “Using Gamification in Market Research” while Peter Mouncey will present ideas about “Marketing Value Metrics” on Thursday morning.

There are 87 competitive papers that represent a range of contemporary marketing topics by authors from over 30 countries. A number of prestigious journals offer publication opportunities to the outstanding papers submitted to ICCMI2015. We are confident that participants will find the sessions engaging and intellectually stimulating, offering many opportunities for lively and motivational discussions leading to new and innovative ways of meeting contemporary marketing challenges in an increasingly turbulent economic and business environment.

Acknowledgements

We express our sincere thanks to those who contributed to the successful outcome of the third ICCMI. First we thank the authors who submitted diverse and very interesting papers. We also extend our thanks to the members of the Advisory Board and Scientific Committee, the reviewers and track chairs who volunteered their time and effort for the success of this conference. A special thank you is extended to the Co-chairs, Costas Assimakopoulos of ATEI Greece and Patricia Harris, Lesley Ledden and Helen Robinson of Kingston Business School, Kingston University whose cooperation, assistance, commitment and dedication made this conference possible.

We also thank the two universities, the Alexander Technological Educational Institute and Kingston University for their invaluable support. On behalf of the Chairs and Co-chairs we warmly welcome you to London and hope that you will enjoy ICCMI2015 both professionally and socially.

Christos Sarmaniotis
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Alexander TEI of Thessaloniki
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"Employer Insights": enhancing employability in marketing education

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Abstract

"Employer Insights" is a learning and teaching innovation designed to enhance employability amongst second year undergraduate students. It involves small groups of students arranging to visit a marketing communications practitioner in the workplace to film a short interview. Films are brought back into the classroom to stimulate discussion and debate. As is noted in the literature, students do not always have an understanding of the types of careers open to them or the skills needed to succeed in marketing, making the task of reflection on their learning and achievements difficult. Yet, as we also see in the literature, self-efficacy, self-esteem and self-confidence can all be a result of reflection and evaluation, leading to an increase in employability. It is proposed that innovations such as Employer Insights are effective because they provide the tangible links between what is learned in the classroom and the practical realities of the workplace, providing an experience upon which reflection can be based.

Keywords: employability, careers, marketing education

1. INTRODUCTION

One of the key challenges faced by marketing educators is employability, i.e., the requirement to ensure students develop skills and attributes which make them more attractive to future employers. In the UK, since the 1997 National Committee of Inquiry into Higher Education, subsequent government reports have emphasised the role of Higher Education Institutions (HEI’s) in developing graduates who are “employable” and who possess the skills and attributes required by industry. In this paper, this challenge will be discussed further before a specific learning and teaching innovation “Employer Insights” is outlined as a tool to enhance employability.

2. THE EMPLOYABILITY CHALLENGE

Employability can pose a particular challenge for marketing education. Whilst the skills sought by employers have been identified extensively in the literature (e.g., Barrie, 2007; Knight and Yorke, 2003) how these can be developed in a course is less clear. At a very basic level, skills such as presentation skills, teamwork, numeracy and report writing are desirable and it is not difficult to include these in the curriculum, often as part of assessment. However, other less tangible attributes are also seen as important: qualities such as an ability to get things done, taking the initiative and the willingness to persevere with difficult tasks have all been identified by recent graduates as qualities that “count” in the workplace (Yorke and Knight, 2007).

There has been a further move away from employability as a simple set of skills towards a wider set of abilities related to reflection and articulation of learning (Pegge et al., 2012). This has been accompanied by the emergence of models which aim to explain what employers are looking for as a way of informing employability development. Knight and Yorke’s (2003) model includes identifying understanding, skills, efficacy beliefs and meta-cognition (USEM) as key aspects of what makes a graduate employable. Junghagen (2005) advocates reflection and meta-cognition as ways of achieving the higher order thinking tasks sought by employers. Developing this further, Dacre Pool and Sewell (2007) propose a practical model of employability to highlight how aspects of a student’s university experience could combine to make them more employable. Their model suggests that through reflection and evaluation, students are able to develop self-efficacy, self-esteem and self-confidence, leading to an increase in their employability.
Whilst such models are clearly helpful for students and staff, all require exercises and tasks to facilitate reflection and evaluation. Reviewing skills and attributes in the abstract is difficult; particularly for undergraduates with limited exposure to the workplace. Indeed there appears to be limited insight into the types of careers open to undergraduate marketing students or the skills needed to succeed in a marketing role (Freudenberg et al., 2009).

In summary, as marketing educators, we might be able to articulate the skills needed to succeed in a marketing career, but as Knight and Yorke (2003) suggest “such talk needs to be underpinned by careful thought about how learners might best be put in positions where they can…….. make good claims to employability” (Knight and Yorke, 2003: 7). With this in mind Employer Insights was developed for the second year of an undergraduate marketing communications course at a UK Business school.

3. EMPLOYER INSIGHTS

Employer Insights involves small groups (four to five) of second-year undergraduate students arranging to visit a marketing communications practitioner in the workplace to film a short interview. Films are brought back into the classroom to stimulate discussion and debate. The initiative has three main phases: preparation, the visit and the in-class presentation and discussion. During the preparation phase, the marketing tutor contacts marketing practitioners to ensure that enough visits can be arranged. These may be alumni or other industry contacts. During the preparation phase, students attend a planning session in which a member of the university careers team explores professional etiquette, both for the visit itself, but also for the e-mail communications used to set it up. In groups, students then develop a discussion guide, considering the different types of questions that might be appropriate for client-side marketers and agency professionals. Students are encouraged to focus on generic current developments in marketing communications and tips for employment, avoiding discussion of confidential company information.

The visit itself is set up by the students by e-mail. Draft e-mails are firstly sent to the tutor for approval and once the wording has been agreed, contact details for a practitioner are released. During the visit, the agreed discussion guide is used and the meeting is filmed using students’ own mobile devices. Films are edited down by the student groups to ten minutes and up-loaded onto the private section of YouTube, ready for use in the classroom.

During the weeks following the visits, two films per session are shown to the rest of the class. Groups are briefed to lead a discussion on one of the aspects raised by their practitioner. For example, this year discussions focussed on corporate branding versus individual branding, the importance of user-generated content and the challenges posed by the ever-fragmenting media environment. In addition, students hear from practitioners about employment and how to stand out in the application process. At this point, students are able to reflect on their own skills and attributes and how they compare to those viewed positively by practitioners.

4. EVALUATION

Evaluation of the initiative has been via forty six qualitative short answers to a question about Employer Insights. Comments were overwhelmingly positive and could be categorised into three broad themes: insights into the workplace, a changed learning environment and specific skills developed.

Insights into the workplace

More than half the respondents commented favourably on the usefulness of Employer Insights in gaining a better understanding of the marketing workplace. Hearing about the day-to-day tasks particularly in agencies appeared to facilitate a better understanding of advertising practice. Adjectives such as “useful”, “helpful”, “interesting” and “informative” featured heavily in the comments. As one participant stated: “This activity was very beneficial to help me gain understanding of real work situations and day to day tasks in an advertising agency” (respondent 3).

A changed learning environment

A small number of positive comments suggested support for the activity as an opportunity to change the learning environment, out of the classroom and into the workplace. A “different routine” and “new experiences” were viewed favourably. This is summarised by one
participant: “Enjoyed having a change of learning environment. Brings to life what we do in class” (respondent 4).

**Specific skills developed**

Students appeared to recognise some of the skills being developed through Employer Insights, in particular presentation skills and leading a discussion. It was through these comments that we could begin to see some reflection staring to take place. Some of the comments suggested that students were really beginning to look at themselves as potential workers and could see how they had changed the way they were acting; shaking hands and making conversations with practitioners. As one student commented “Very fulfilling, saw myself in a professional setting” (respondent 19).

**5. DISCUSSION**

As noted in the literature, students do not always have an understanding of the types of careers open to them or the skills needed to succeed (Freudenberg *et al.*, 2009), making the task of reflection on their learning and achievements difficult. Yet, as we also see in the literature, self-efficacy, self-esteem and self-confidence can all be a result of reflection and evaluation, leading to an increase in employability. It is proposed that initiatives such as Employer Insights are effective because they provide the tangible links between what is learned in the classroom and the practical realities of the workplace. Whilst Peterson and Dover (2014) identified this as a challenge, it appears that Employer Insights has been able to go some way to meeting this. Students who are more aware of their career options and what it takes to succeed in a particular job will be in a stronger position to articulate how their own academic achievements have contributed to their employability. We can certainly see in the comments that some students are beginning to reflect on their own position, skills and knowledge in relation to the workplace.

Employer Insights also provides an opportunity to engage in discussions about the experience of visiting the workplace. After watching each others’ films, students are able to reflect on the careers advice given by the practitioners and compare views. They have an opportunity in the classroom to consider their own skills and link them to a wider understanding of what makes a graduate employable. This activity would find support from Cranmer (2006) who notes that work experience in itself is not what is most useful for developing employability skills, rather it is the opportunity to engage in meaningful discussion about the experience which is important.

In a similar vein, Cole and Tibby (2013) highlight the importance of reviewing not only what is taught on a programme but also how it is taught, placing an emphasis on developing students’ abilities to recognise their own career related achievements. Employer Insights provides an example of this. By discussing current marketing communications practice with practitioners, students can link the theory encountered in the classroom with practice. At the same time, by writing to employers in a professional way, meeting in the workplace, then creating and presenting a film they are developing personal and professional skills.

**6. FUTURE DEVELOPMENTS**

Overall, the most favourable comments from the evaluation focussed on the visit itself rather than the follow-up sessions in class. Of the few negative comments received, several focussed on the poor quality of some of the films shown and possibly spending too long in class watching the films. One student also felt that the project should count towards the module grade. With this in mind, it is planned to change the format slightly for future cohorts. Students will be asked to produce a ten minute presentation which summarises the key insights from the visit, using short clips of films to reinforce specific points rather than showing the whole film. The presentation should include the identification of a specific issue for debate amongst the class. Previous versions of Employer Insights have not attracted a grade, on the basis that a poor interview may not be the fault of the student. However, by moving to a presentation, it is planned to use the exercise as formative assessment with feedback to be taken forward to a summatively assessed presentation later in the module.

**7. CONCLUSIONS**

Employability is likely to remain on the UK Higher Education agenda for the foreseeable future and marketing academics will be tasked with ensuring courses include opportunities for students to develop skills which will be useful in the workplace. The development of tangible skills such as presenting, numeracy and writing can be incorporated with relative ease into the curriculum and assessment strategies. However, if we take a view of employability which includes the development of self-efficacy, self-esteem and self-confidence, we need to provide opportunities for reflection and evaluation. This is made easier if students have some experience upon which to reflect. Whilst work experience would be ideal, initiatives such as Employer Insights can provide an experience upon which reflection can be based. As
educators, our role can be to provide the appropriate environment in which to carry out this reflection, thus ensuring students can make some good claims to employability.

REFERENCES


Cultural identity in social media
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Abstract:
The basis of this article is the exploration of cultural influences on human identity online, with a primary focus on the social networking platform Facebook. What is perceived to be the global phenomenon regarding the disparity between online personas and reality is identified and explored. Online behaviour in the countries of Hong Kong, Germany, Czech Republic, South Korea and Australia is examined through the lens of Hofstede’s model. From this examination, it is concluded that the factors of Individualism, Power Distance and Masculinity have the greatest impact on online behaviours.

Keywords: Social Media, Online behaviour, Hofstede’s model, Cultural identity

1. INTRODUCTION

As the world becomes digitized, the role of humanity in our society has been questioned. The development of digital devices enables us to communicate anywhere in real-time and the range of our communication has been extended dramatically. In these circumstances, it is wondered whether there is any disparity between our ‘online’ self that it is presenting on social media and our ‘real’ self. Also, due to different cultural contexts, the aspects of social media affecting humanity in each country are diversified. Therefore, through linking the various cultural situations and the utilization of social media, this study not only hopes to gain a better, local, understanding of our own cultures and how these influence our online habits and the possible consequence but also wishes to gain an understanding from a global perspective regarding these habits.

2. THE FACEBOOK VS. REAL SELF

People often have a different personality on Facebook than in reality. They can present themselves on Facebook as their ideal self in the way they wish to be perceived by others. Profile pictures often present a skewed representation of themselves that does not correlate with reality, and which usually consist of special photos of them partying or having a good time (Stone 2011). In reality sometimes these persons actually have a minimized enjoyment when compared to the life they present online.

Most people make posts to share news or events. If you would meet a person on the street you would not tell everything you post on the social platform (McNeil 2009). The contents of a talk to a friend offline and communicating on Facebook are quite different. Even if you share it with all your friends on Facebook, you may not do so in the ‘offline’
world. The special thing about Facebook is also having groups for events or having Clubs as informative postings or liked pages to get all the news about it and sometimes special offers. This increases reliance on the platform because it would not be possible to be informed about everything if you are not on it. It not only informs you about events but also about certain people you may find interesting. The concept of ‘Facebook stalking’ is another example of behaviour undertaken by people online who would not do the same offline. This term describes the process of looking up personal information about people on Facebook, and it is interesting because it does not have a negative connotation.

3. HOFSTEDE AND CULTURAL FACTORS

Although Baskerville has noted contention regarding the validity of Hofstede’s Cultural Dimensions (Baskerville 2003), an average citation rate of 288 per year between 2000-2007 demonstrates a general and continued acceptance of the model in the academic world (Taras & Steel 2003). Although frameworks developed by Trompenaars and Hampden-Turner (1988) are held in high regard, for the purposes of this essay the comprehensive global coverage and ease of comparison means Hofstede’s framework (1980) will be utilised. The Hofstede Centre outlines that at present there are six dimensions to the index, being Power Distance, Individualism, Masculinity, Uncertainty Avoidance, Long Term vs. Short Term orientation and Indulgence vs. Restraint (The Hofstede Centre). For this paper all dimensions but the latter will be utilising. Power Distance is described as ‘the extent to which less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally’. The concept of Individualism can be considered a social pattern, consisting of loosely-linked individuals, independent of groups, who are motivated by their own preferences, needs and rights. When using this concept it is interesting to take into account a more recent interpretation of individualism which has found it more effective to frame the concept as a scale of individualism rather than an individualism v collectivism dichotomy (Schimmack et al. 2005). A Masculine culture refers to one based on competition, whereas a feminine culture has great emphasis on values such as cooperation and quality of life. Uncertainty avoidance expresses the ‘degree to which members feel comfortable with uncertainty and ambiguity’. Societies with a short-term orientation tend to focus on achieving quick results and have less of a focus on saving for the future. Long term-orientated societies tend to plan more for the future. The following country specific analysis will be based on these conceptual foundations.

3.1. Hong Kong

Although Hong Kong is a part of China, which is well known for its emphasis on traditions and strong sense of patriotism, as a special administrative region that has its own governmental system, Hong Kong has a completely different vibe. Hong Kong citizens are comparatively more open-minded due to previous governance by the British government and therefore have been deeply influenced; therefore they are open for new matters as well as uncertainties, Credits can be given to our freedom of speech and self-governance of our local government. There are an assortment of local, Asian and international companies in Hong Kong, especially financial firms, power distance does exist however it depends on the background of the firm. In local Hong Kong firms, power distance is moderate.

Hong Kong is a rather masculine society, strong, quick and sometimes cruel decision making style are not uncommon in all business practices as profitable and effective outcome is what they would like to achieve.
Freedom of access to information as well as speech are unique to Hong Kong; the usage of all social media including Facebook, YouTube and Google are used commonly as means of communication, although they are strictly banned in mainland China. This makes Hong Kong a paradise for mainlanders in expressing their views to the international media and therefore all types of social media are being used vigorously, especially Facebook as peers can share their daily lives instantly and it is often a platform to show how broad one social network is. However, this popular social network has brought tremendous changes to Hong Kong citizens’ social behaviour and dug out hidden social problems.

The most common type of illness that they suffer from is stress and due to stressful working patterns and competitive nature of workers (Ho 2007); it is often difficult for one to release their inner self and let alone having time to relax. What is better than the convenience of expressing one’s view through a few clicks anytime anywhere and gaining instant responses from friends? Facebook has gradually became a channel for one to express their emotions recklessly; a research has been carried out by sociology students from the University of Hong Kong stated that there is actually a correlation between one’s happiness and one’s frequency in posting or browsing Facebook; the more they spend time on it, the less likely to be happy they are. Not only because of reading about others’ negative daily encountering but mostly because when they compare their lives to the others. Hong Kong is a very typical collectivist society; seeing pictures of a large bunch of friends gathering while you are stuck in the office or the library just further defeats one’s contentedness.

3.2. South Korean

With its 5000 years of history, Korea has developed its own unique sentiments and deeply-rooted cultural division. Based on an agricultural background, they developed strong emphasis on family and this creates emphasis on centralization. Also, because of farming affairs which requires tremendous labour work, a team-based working system has been developed and various customs that look for each other are still remaining. The concept of “Jeong(정)”, implies strong attachment and sympathy to each other, and this only exist in Korea. As part of collectivism, face culture is one of unique Korean culture which can be defined as “strong tendency to be considered to fit in the group or society.”

In addition, throughout the history, Korea has been continuously fought against China, Japan, western countries and Korea itself and from this heritage a cultural atmosphere of strong collectivism was developed that values loyalty to the group or society that one belongs. Also, people accept the hierarchical order where everyone has a place and this order does not need to be justified. Fast adaptation to changes was inevitable and this creates one of the strong characteristic that Korea has is to deal things as fast as possible, which is defined as “Pal-li Pal-li” (faster and faster). Furthermore, Korea is one of the countries with the highest levels of uncertainty avoidance, resulting in a strong urge to be punctual, make plans and put things in order.

However, Korea is adopting western customs and these dimensions are rapidly changing. In particular, they are moving from a highly masculine society to an increasingly feminine culture. For example, a female has been elected as the new president of Korea. Also Individualism is on the rise as the concept of family is diversified. There are further societal changes on account of increased industrialisation and globalisation which brings a wave of external influences,

1 Naver Dictionary, 정(情), URL = <http://krdic.naver.com/detail.nhn?docid=33509800>
something which is especially evident in the education sector. Many educational institutions are adapting western teaching methods such as class participation which contrasts to traditional Korean teaching styles.

According to the 2012 report of Akamia, Korea not only has the fastest Internet service in the world but also has the highest usage rate. In addition, with increased access on smartphones and widespread Wi-Fi coverage it is possible to utilise internet literally everywhere. On account of this constant access, for Koreans the Internet is more than an essential of their lives and its power to influence people is greater than ever. If New York is the city that never sleeps, Seoul is the city that never stops using Internet. In the context of face culture, it is looked upon poorly if people brag or show off what they have. Therefore, instead of telling this directly, people choose to upload pictures or posts on their wall.

3.3. Germany

In Germany you can find an individualistic society with a focus on small families. The relationships between parents and children are more important than to other family members. There is a strong belief in the ideal self-actualization and it efforts in personal preferences as well as on duty and responsibility. The Maslow Pyramid therefore is a very good example. The preferences on duty and responsibility are also mentioned in a working contract between employee and employer. Direct communication is well developed in Germany, people are honest even if it hurts and there is an emphasis on learning from mistakes.

Although the Chancellor is a woman, this is not representative of it being a feminine country, Germany still has a masculine society. Men occupy the majority of leadership positions. The focus on performance is already existent in the school system, which separates children into different types of schools at the age of ten. This system effectively divides society into classes based on the performance of the students at this age. The people live more in order to work and get a lot of self-esteem from their tasks. Managers are respected if they are able to make choices and have a leading personality.

Germans are normally really careful with things and avoid any risks. This is well seen in the banking field referenced on speculations and assets. Therefore Germany is a highly uncertainty avoidant country. In line with the philosophers Kant, Hegel and Fichte there is a strong preference in risk avoiding approaches. This can be in respect of planning, presenting as well as acting in general. This can be seen in the law system, school system and organisations. Even the structure of firms is structured after processes, which are well planned to avoid any risk. The low power distance also supports the uncertainty in responsibility and decision-making or the high expertise of the manager.

The Germans have a short-term orientation culture. Such societies normally have a great respect for traditions. There are also regional variations in cultural traditions. Germans do not save so much in respect on the short-term orientation. They have a certain social pressure to build new relationships and making friends. Germans also have an impatience for achieving quick results. Furthermore they have a concern with establishing the truth. They talk a lot about happenings and whether it is the truth or what it could be.
3.4. Czech Republic

Czech culture can be characterized by higher power distance, which means that hierarchical status is accepted, along with the privileges and status symbols that are associated and contribute to their authority. Decision-making is centralized and managers are usually separated from subordinates. Great importance is connected with titles and educational background.

Czech society is more individualistic, with a preference to look after individuals or close family members, children usually stay at their parent’s houses until they finish their studies or get married, although of late this trend has been decreasing. Czechs guard their privacy and separate work and family life.

There are also strong masculinity tendencies in the Czech Republic, meaning society is driven by competition and achieving success, people feel their life is dedicated to work and are expected to follow given rules and instructions without discussion or questions. Tendencies to compare their status and property with friends, neighbours and colleagues stimulates an inner drive to work hard. Although there are many women employees in many different areas of business or industry, leadership and high policy positions are usually occupied by men.

A high uncertainty avoidance score shows that Czech people do not feel comfortable in unknown or uncertain situations, are used to be punctual; late arriving at meeting demonstrates a lack of professionalism and disrespect; and feel the need for rules which usually leads to bureaucracy. Czechs are also rather non-confrontational, when discussing an uncomfortable or unpleasant theme, or when refusing or saying no, people will not speak directly about the matter. Czech society is short-term orientated, focused on immediate outcomes, ensuring respect and prestige and respect for traditions (Hofstede 2006).

3.5. Australia

When considering the interplay between societal dimensions and social media usage in Australia three major themes are apparent, being large online social networks, competitiveness and a short-term focus.

With regards to large online social networks, Australia shares similar traits with other western, English speaking, countries, such as New Zealand, Canada and the United States. The most prominent shared characteristic is a high individualism Index, which at 90 is second only to the United States. The consequence of this is that people view their self-image in the term of ‘I’, as opposed to ‘we’. The cultural norm is to be independent and self-reliant, with a focus upon oneself and one's immediate family.

It has been found that in nations with a higher degree of individualism people maintain bigger social networks than people from nations with lower degrees of individualism (Rosen et al. 2010). Due to the higher focus on individual achievement, people from individualist countries tend to maintain a large online social network with the hope of leveraging off these connections. Furthermore, it was found that there was a higher degree of ‘friending’ people whom
one had never met, undertaken with the same goal. A possible consequence of this activity will be further explored under the masculinity theme.

Australia can be considered a masculine culture with a score of 61, meaning there is a fairly high degree of competition across all aspects of daily life. The competition culture is fomented at a young age and is strongly encouraged by the school system. There is a relatively low power distance index of 36, meaning there is less of a hierarchical structure and a strong requirement for a ‘fair go’, and although descended from a British class system there is no comparable cultural disposition in Australia. This further encourages competition as it means regardless of your status it is always possible to improve and do better.

One such risk manifested itself in my final year of school where a fake Facebook profile was set up and ‘friended’ a significant proportion of the grade. It was never ascertained as to whom set up the profile, if it was a member of a lower year group, a staff member or a concerned citizen, however the profile was used to garner information about events that were being held by students and whether these contravened school policy. This obviously placed the operator in an extremely powerful position. Over the course of the year many people accepted friendship requests from the contact, perhaps first being encouraged by the profile picture of an attractive girl and later as people noted they had ‘mutual’ friends. Eventually the page was disbanded as the hoax was uncovered, however many people were the victim of a fairly serious privacy breach, and the reasons why they may have accepted the friend requests in the first place could be linked to individualist tendencies and a competition culture.

4. CONCLUSION

This essay has discussed how different cultures can influence human identity and social media behaviour, with a focus on the online social network Facebook in relation to Hong Kong, South Korea, Germany, The Czech Republic and Australia. The most significant findings regarding the interplay between cultural factors and social media usage are related to the dimensions of Individualism, Power Distance, and Masculinity.

With regards to Individualism, it was noted that countries across the scale use social media to express themselves, although users in more individualistic countries, such as Australia and Germany, tend to use it as a means to increase network size from which then could be leveraged off, whereas more collectivist countries use them to connect and strengthen bonds between the various groups they associate with.

A trend was noted also in the countries with the highest power distance, being South Korea and Hong Kong, whereby users would turn to social media platforms as a means of expressing themselves in an alternative manner which the strong, offline, face culture does not allow. A similar corollary was found with regards to Masculinity in South Korea, as it is less acceptable to be showy and ostentatious in public, Facebook provides a platform for an alternative expression of success without doing face to face.

In the other countries which had higher levels of masculinity, such as the Czech Republic, it was found that there tends to be a greater competition culture, influencing behaviour in the sense that users would be more willing to show off.
could thus be concluded that the end behaviour, being an expression of one’s life achievements online, is not differentiated by the cultural factors explored, however the reasons for undertaking the behaviour in the first place do differ.

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Does messaging affect consumer attitudes regarding mobile advertising?

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Abstract:

The article of Tsang, Ho and Liang (2004) about SMS and consumer attitudes is replicated, following their same method, obtaining these new results: (1) consumers have negative attitudes toward mobile advertising when they have given permission, (2) entertainment is the only variable which really affects attitude, (3) there is a direct relationship between consumer attitude, consumer intention and consumer behaviour, and (4) the theory of reasoned action (TRA) model in the original research might not be extrapolated to the present day mobile phone situation.

Keywords: Mobile Advertising, Short Messaging Service, Consumer Attitudes

1. INTRODUCTION

Short Messaging Service (SMS) is still very useful tool for mobile advertising. A study conducted by ComScore (2010) in five countries of Europe (UK, France, Germany, Spain and Italy) reported that more than 100 million mobile phone received SMS ads. Coupons, discounts, promotions of contest, messages asking for donations to charities and non-profit organizations are the most popular SMSs which users are most responsive to and SMSs advertising products, services or brands receive the lowest response.

Millward Brown Digital (2013) encouraged marketers to continue using this tool, because almost 3 out of 5 consumers preferred marketing text over other formats of mobile marketing (video or banner), 68% found marketing messages very useful.

Moreover, Cleff (2007) highlighted the need of getting users’ consent to receive SMS in accordance with EU regulations (Directive 95/46/EC, Directive 2002/58/EC, Directive 97/66/EC,…). In that way, there is an implicit willingness to receive SMS ads, when Europeans give their consent.
As SMS ads is a live issue and given that the paper by Tsang et al. (2004) on this matter is well-known and cited by researchers dealing with consumer attitude toward SMS ads, replicating this research with an updated vision can be beneficial for mobile advertising discipline. Therefore, a summary of the main points of the Tsang et al.’s study is presented and then compared with the results of our sample.

2. RESEARCH FRAMEWORK

Based on the theory of reasoned action (TRA) presented by Fishbein and Ajzen (1975), where attitude, intention and behaviour are connected, and taking into account the psychological aspects of beliefs, attitudes, intentions and behaviour affecting the consumer (Fishbein and Ajzen 1975; Fishbein et al. 1994), and the permission-based strategy (Barwise and Strong 2002; Kavassalis et al. 2003), Tsang et al. (2004) proposed a research framework and those hypotheses:

H1: The perceived entertainment, informativeness, irritation, and credibility of mobile ads affect the attitude toward mobile advertising.

H2: Consumer attitudes are different for permission-based and general mobile advertising.

H3: Attitudes toward mobile advertising affect consumer intentions to receive mobile ads.

H4: Providing incentives for receiving mobile ads can affect consumer intentions to receive mobile ads.

H5: Consumers’ intentions to receive mobile ads affect their behaviour after receiving mobile ads.

3. EMPIRICAL STUDY

The survey was conducted in January 2015. For this purpose, the questionnaire of the original article was replicated. In that questionnaire, data was collected according to the above research framework. Three major areas have been tested: part a) adapted questions from previous studies of Ducoffe (1996) and Schlosser et al. (1999) regarding attitudes toward mobile advertising, taking into account the four constructors: entertainment, informativeness, irritation and credibility; part b) questions about familiarity, intention and behaviour regarding mobile ads; part c) descriptive data, such as gender, age, profession....

The translated questionnaire was pretested on 36 individuals on 7th and 8th January 2015 and it was revised according to their comments. Later, it was distributed in person and on online in two cities of the north of Spain from 12th to 18th January 2015.

In order to obtain a sample of 380 individuals fulfilling the following Tsang et al. requirements: 181 males and 199 females; - 85% under 30 years old, 76% with at least a college degree and 60% students -, we broke down the sample into four groups.
For this purpose, we collected 449 questionnaires, 69 of which were rejected for different reasons: because either they were incomplete or they did not fit any of the 4 groups or the specific group sample was already completed.

All of them are users of SMS and receive or send at least an SMS every two days. The average experience of using mobile phones is 10 years. 90 percent received every week a promotion product via SMS and 95 percent preferred using WhatsApp to sending personal messages instead of SMSs. SMS received themes are among others: e-Government, bank, university related, recovering a password, confirming registration, …

4. DATA ANALYSIS AND FINDINGS

4.1 Data Reliability

Table 1 shows the results of the reliability of data using Cronbach’s alpha. Hair et al. (1998) recommended that a value higher than 0.7 as acceptable. Hence, values in table 1 are reliable and suitable for further analysis.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Entertainment</th>
<th>Informativeness</th>
<th>Irritation</th>
<th>Credibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s alpha</td>
<td>0.922</td>
<td>0.714</td>
<td>0.734</td>
<td>0.714</td>
</tr>
</tbody>
</table>

4.2 Factors Affecting Attitudes

Compared to the data of Tsang et al. (2004) the average respondent score on overall attitudes is 2.10 on a five point Likert scale. This is lower than their result of 2.76 (for overall attitudes) and even lower than the permission-based figure of 3.27. Although according to the EU directives, all the advertisements have to be permission-based, a question inquiring whether the sampled individuals were aware of this fact was included. 44.7% of those interviewed were aware that they had given consent, while 55.3% were not. In table 2, the average of the whole sample and the two sub-secondary groups are presented. The average for the “aware of permission-based” group is higher than that for “not aware of permission-based”. None of the 3 propositions is higher than the neutral score of 3, but even though there was only a slight difference, hypothesis 2 was accepted. However, the negative value is predominant.
A correlation analysis is shown in table 3 indicating the relationship between constructors. A principal component analysis is used to differentiate their individual contributions, instead of the stepwise regression proposed by Tsang et al. (2004), because the contribution to the variance is clearer to be identified. The results in table 4 show that entertainment is the major factor that affects overall attitude, with a marginal contribution of 61.03% to the variance. Informativeness is the second most important attribute with a marginal contribution of 18.11%. Irritation comes in third place with a marginal contribution of 15.37% and finally, credibility with 5.48%. Our model differs from the one of Tsang et al. because informativeness has a higher contribution than credibility, whose variable in Tsang et al.’s model came in second place. The only variable in common is entertainment, which is in both cases the main variable in the model.

Table 2: Statistics on Consumer Attitude

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall attitude</td>
<td>380</td>
<td>2.10</td>
<td>0.99</td>
</tr>
<tr>
<td>Aware of permission-based</td>
<td>170</td>
<td>2.25</td>
<td>1.00</td>
</tr>
<tr>
<td>Not Aware of permission-based</td>
<td>210</td>
<td>1.97</td>
<td>0.98</td>
</tr>
</tbody>
</table>

Table 3: Results of Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Entertainment</th>
<th>Informativeness</th>
<th>Irritation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informativeness</td>
<td>0.723</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Irritation</td>
<td>-0.404</td>
<td>-0.396</td>
<td></td>
</tr>
<tr>
<td>Credibility</td>
<td>0.480</td>
<td>0.680</td>
<td>-0.165</td>
</tr>
</tbody>
</table>

Correlation is significant at the 0.01 level (two tailed)

Table 4: Principal Component Analysis

<table>
<thead>
<tr>
<th></th>
<th>Variance</th>
<th>% Accumulated</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENT1</td>
<td>40.561</td>
<td>40.561</td>
</tr>
<tr>
<td>ENT2</td>
<td>20.472</td>
<td>61.033</td>
</tr>
<tr>
<td>IF1</td>
<td>10.678</td>
<td>71.711</td>
</tr>
<tr>
<td>IF2</td>
<td>7.436</td>
<td>79.147</td>
</tr>
<tr>
<td>IRT2</td>
<td>6.174</td>
<td>85.320</td>
</tr>
</tbody>
</table>
In summary, even though permission was granted to receive SMS ads, attitude toward mobile advertising is generally negative. When interviewees were aware that they had given their consent, attitude values were higher than in the cases when they were not. Entertainment is the most important attribute affecting consumer attitudes toward mobile advertising. Hypothesis 1 is rejected, because there is not a strong correlation between variables. Solely between entertainment and informativeness and between informativeness and credibility. Correlation between some of the variables is not significantly in some cases.

4.3 Relationship between Attitudes and Intention

The questionnaire also inquired about willingness to receive mobile advertising, and only 59 of respondents agreed, whereas 321 respondents disagreed (see table 5). However, if they received an incentive or reward, such as a new mobile phone, apps, competitive mobile rates, etc., the figures changed dramatically and 254 of them responded affirmatively and 126 negatively. Hence, hypothesis 3 and 4 are supported. Providing incentives can increase intention to receive SMS-based mobile advertisements.

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>59</td>
<td>321</td>
<td>380</td>
</tr>
<tr>
<td>With incentives</td>
<td>254</td>
<td>126</td>
<td>380</td>
</tr>
</tbody>
</table>

\[ X^2 = 16.654, p<0.05 \]

4.4 Relationship between Intention and Behaviour

The analysis proposed by Tsang et al (2004) looked at behaviour and intention. Tables 6 and 7 show the results about the connection of the extent to which an SMS would be read and the timing for reading the message after receiving it. Table 7 differs from the one of Tsang et al. as we also include the answer “occasionally” included in Appendix A of Tsang et al., but not in their table. On the whole, as there are correlations in both tables (\( X^2 = 23.123, p<0.05 \); \( X^2 = 14.922, p<0.05 \)), we can assert that there is a relationship between intention and ulterior behaviour and therefore hypothesis 5 is accepted. Although the article by Tsang et al. did not mention it.
Table 6: Extent of Message Reading

<table>
<thead>
<tr>
<th></th>
<th>None</th>
<th>About 1/4</th>
<th>About 1/2</th>
<th>About 3/4</th>
<th>Full</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>5</td>
<td>7</td>
<td>7</td>
<td>11</td>
<td>29</td>
<td>59</td>
</tr>
<tr>
<td>No</td>
<td>57</td>
<td>99</td>
<td>52</td>
<td>27</td>
<td>86</td>
<td>321</td>
</tr>
<tr>
<td>Total</td>
<td>62</td>
<td>106</td>
<td>59</td>
<td>38</td>
<td>115</td>
<td>380</td>
</tr>
</tbody>
</table>

$\chi^2 = 23.123, p<0.05$

Table 7: Timing of message reading

<table>
<thead>
<tr>
<th></th>
<th>Ignore</th>
<th>Occasionally</th>
<th>Cumulate too</th>
<th>Get time later</th>
<th>Immediately</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>7</td>
<td>10</td>
<td>1</td>
<td>22</td>
<td>19</td>
<td>59</td>
</tr>
<tr>
<td>No</td>
<td>66</td>
<td>103</td>
<td>12</td>
<td>88</td>
<td>52</td>
<td>321</td>
</tr>
<tr>
<td>Total</td>
<td>73</td>
<td>113</td>
<td>13</td>
<td>110</td>
<td>71</td>
<td>380</td>
</tr>
</tbody>
</table>

$\chi^2 = 14.922, p<0.05$

4.5. Structural Equation Modelling

As our model is already permission based, table 8 shows the results of the relationship of the constructs through structural equation modelling. We still have our 380 original data as the whole sample in our study. The results are within the recommended values, which were proposed by Carmines and McIver (1981) and Byrne (1998). RMSEA = 0.0634 with a 90 percent confidence interval 0.0502 to 0.0769.

In table 9, the resulting models indicate entertainment significantly affects attitude regarding SMS ads with positive relationships between attitude, intention and behaviour. This results confirmed the rejection of hypothesis 2 and the confirmation of hypothesis 3, 4 and 5.

Table 8: Fit Indices

<table>
<thead>
<tr>
<th>Fit Indices</th>
<th>Recommended value</th>
<th>Overall structural attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>$R^2$</td>
<td>N/A</td>
<td>134.07</td>
</tr>
<tr>
<td>df (degrees of freedom)</td>
<td>N/A</td>
<td>53</td>
</tr>
</tbody>
</table>
Table 9: Parameter Estimates of General Model

<table>
<thead>
<tr>
<th>Independent construct</th>
<th>Dependent construct</th>
<th>Coefficient</th>
<th>Standard error</th>
<th>Z-values</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertainment</td>
<td>Attitude</td>
<td>0.0591</td>
<td>0.0163</td>
<td>3.614</td>
<td>0.000**</td>
</tr>
<tr>
<td>Informativeness</td>
<td>Attitude</td>
<td>0.0160</td>
<td>0.0187</td>
<td>0.855</td>
<td>0.392</td>
</tr>
<tr>
<td>Irritation</td>
<td>Attitude</td>
<td>0.0116</td>
<td>0.0112</td>
<td>1.035</td>
<td>0.301</td>
</tr>
<tr>
<td>Credibility</td>
<td>Attitude</td>
<td>-0.0290</td>
<td>0.0134</td>
<td>-2.164</td>
<td>0.030</td>
</tr>
<tr>
<td>Attitude</td>
<td>Intention</td>
<td>10.205</td>
<td>1.688</td>
<td>6.046</td>
<td>0.000**</td>
</tr>
<tr>
<td>Intention</td>
<td>Behaviour</td>
<td>0.220</td>
<td>0.0506</td>
<td>4.351</td>
<td>0.000**</td>
</tr>
</tbody>
</table>

** Indicates significance at 0.01 level

5. CONCLUSION

Eleven years after Tsang et al. published their article, the reality of mobile advertising has experienced a huge change. In fact, consumers receive advertisements in their mobile phone through different means such as apps, via Internet through mobile phone in the same format and services as in a computer. Consumers are exposed to a wide range and quantity of mobile ads.

While SMS ads are sent with users consent according to EU Directives, the rest of the ads transmitted via Internet in mobile phones followed the same regulations as in computer-based advertising. A new avenue of research presents itself, considering awareness on the part of consumers of their consent to receiving SMS ads. Mobile phones apps follow a similar model, when they are free of charge, consumers agree to receive ads.
The TRA model presented in the original paper might not be extrapolated to the present day mobile phone situation and there is a need for it to be revised. In 2004 it seemed that entertainment, informativeness, irritation and credibility were the only factors affecting attitude toward mobile advertising. However, those factors might need to be updated.

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Unarticulated expertise: tacit knowledge production and the marketing manager

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Abstract

Purpose: The aim of this paper is to analyse the central characteristics of tacit knowledge in marketing decision making. Little empirical or theoretical work in marketing specifically addresses this area.

Design/methods: The study reports on a series of in depth interviews with marketing managers, using discourse analysis as a method of framing their accounts of practice.

Findings: Managers in this study offer up a rich alternative discourse to much current mainstream theory in marketing. Key findings indicate that tacit knowledge characteristics in marketing are intersubjective, intuitive and locally situated.

Practical implications: The tacit dimension in organisations is not generally replicable and marketing knowledge production is alternatively viewed as locally contingent phenomena. An improved understanding of the content and central characteristics of tacit knowledge suggests that marketing theory has to be opened up to a plurality of perspectives.

Originality/value: This paper makes an original contribution to marketing epistemology by attempting to unravel the core characteristics of tacit knowledge and in the process, questions the dominant normative perspective found in the majority of marketing textbooks. The key challenge for theory generators and textbook writers is to attempt to make much of the tacit knowledge in marketing generally more accessible.

Key words: tacit, expertise, theory, marketing, knowledge

1. INTRODUCTION: TACIT KNOWLEDGE, THEORY AND MARKETING PRACTICE

It is taken for granted, that marketing management practice is informed by the myriad of standard textbook expertise that exists on the topic. Brown (1998; 1999) highlight that textbooks represent the very essence of the discipline, a point also made by Gummesson (1993; 2002a). Textbooks indicate that in organisations, all levels of marketers will cogitate and act within a standardised framework. If we think of textbook marketing, what comes to mind are commonly recognised concepts revolving around strategic planning processes that stipulate a particular way of managing. Representing marketing in this fashion suggests that firms are either unambiguously adopting these textbook frameworks or are on their way to doing so. In this paper, we will argue that there another practice language of marketing that is used extensively by marketers, but is little recognised in the mainstream marketing management textbook and indeed, in much academic research. With some exceptions, including Hackley (1999; 2000); Kaptan (2013); Arnett and Wittmann (2014); Pereira et al (2012); Patterson et al (2012); Ardley and Quinn (2014), the tacit dimension of marketing is largely ignored. In contrast, in other applied areas of management, literature exist that discusses the tacit, examples include Hindmarsh and Pilnick (2002); Leonard and Sensiper (1998); Leonard and Insch (2005); Mole (2007); Duiguid (2005); Fang and Zhang (2014).

This paper examines the tacit, from a practitioner perspective, based on a series of in depth interviews with marketing managers. In approaching the issue of tacit knowledge, it is useful to make a distinction between it and explicit knowledge. For Polanyi (1966a; 1966b) - widely credited as the pioneer in this area - explicit knowledge is codifiable and transmissible in formal and systematic language. Most marketing textbooks are predicated on this assumption. Evidence from our research suggests however, that it is possible to argue that it is often through the tacit, that marketing accomplishments occur. For Hackley (1999), practical marketing skills have an unarticulated dimension. This notion
captures what Collins (2001, p. 107-8) suggests is the “ill defined and elusive”, nature of tacit knowledge. Both Collins and Hackley argue that tacit knowledge it as a form of mastery of practice, covering those things that we know how to do. For Hackley (1999), the tacit is practical knowledge, representing those actions that are left out of abstracted theoretical descriptions prevalent in mainstream marketing theory. Practitioners, who are accomplished in strategic marketing decision-making, are able to utilise tacit and experientially mediated concepts in coping with marketing issues. In this paper, we seek to explore and establish three core characteristics that represent the basis of tacit knowledge use. These characteristics are the intersubjective, the situational, and the intuitive. We will then consider the ramifications of viewing marketing from this perspective.

2. MARKETING’S TEXTUALLY DRIVEN DISCOURSE

Marketing textbooks routinely prescribe how marketing decisions are best made in organisations, using a restricted range of rationally presented, technical tools. These include a range of portfolio-planning matrices, alongside a multitude of additional auditing techniques and analytical frameworks. In most marketing textbooks, it appears obligatory for firms to carry out a seemingly objective systematic process of analysis and control. The point is to utilise a one-size-fits-all, rational and prescriptive formula as indicated in the following statement: “Once the company has performed a SWOT analysis it can proceed to develop specific goals … this stage of the process is called goal formulation” (Kotler et al., 2010, p. 105). Scant regard is paid to the local, ongoing situational aspects of knowledge generation as indicated by Quinn et al (2007).

To take another example, in most marketing texts there is at least one chapter, which represents the environment, and its constituent factors in a relatively straightforward and unambiguous fashion (Blythe 2014). Little opportunity exists to question what is included under the simplified headings of the Social, Legal, Economic, Political and Technological environment. Arguably, marketing textbooks fail to capture the complexities and ambiguities involved in managing marketing in local situational contexts, or appreciate the point that organisations create their own environments (Weick 1995). Additionally, marketing’s textual (textbook) framework is primarily concerned with managing the substantially critiqued (Constantinides, 2006; Gummesson, 2002a) four Ps of the marketing mix. To accompany this, there is the overarching, relatively simple systemic, totemic-like discourse of marketing orientation, as a given feature of strategy. In this representation, tacit knowledge gets relegated to a place of minor significance. In this scenario, individual marketing managers are viewed as rational planners and research intermediaries, adeptly executing elements of a pre-ordained marketing mix.

3. TACIT KNOWLEDGE: A DISCOURSE OF MARKETING PRACTICE

Dunne (1999) suggests that the dimensions of a technical, rational discourse are characterised as being objective, generalisable, replicable, controllable, transparent, accessible and unambiguous. For Patterson et al (2012), a key component of marketing decision making is based on intuition, where in their findings, managers ‚rail‘ against the excessive use of logical marketing speak and operate, often, in situations of data deficiency, where good decisions can sometimes be made just on the basis of feelings. In line with this, Mintzberg views the strategist metaphorically as a crafts-person, working with clay as a potter. Mintzberg (1987 p67) points out that, “She has an intimate knowledge of her work, her capabilities and her markets. As an artisan, she senses rather than analyses these things; her knowledge is ‚tacit‘.” In a similar vein, Leadbeater (2000) suggests that tacit knowledge is often intuitive, habitual and reflexive. It is a form of knowledge acquired by doing and then communicated by example, a point also made by Tapp (2004), when talking about practical marketing learning. This reflects the social nature of tacit knowledge, obtained through communities of practice Wenger (1998).

Additionally as Boden (1994) points out, the sense of any object is derived from its situation, so marketing decision-making has to be seen to be linked in an indexical fashion, to local conditions. This is because it is dependent on those places, situations and people that generate it (Baumard 1999). In essence then, we have here three central basic characteristics of tacit knowledge. Firstly, it is inter-subjective, secondly, it is about intuitive based judgments and thirdly, its always inherently situational in nature. Through an exploration of these areas, it will be shown, that the reductionist model of marketing contained within the textbook strips out the complexity inherent in the management of marketing and the making of strategy. To recognise the role of the tacit in decision-making means the marketing manager is not viewed as a simple planner and systematiser, but more likely, as a sometimes hesitant actor facing a reality that is multifaceted and complex.
4. METHODS AND ANALYSIS

The study presented in this paper draws on interview data gathered over a period of several years in the eastern region of the UK. The initial aim was to examine individual perceptions of senior marketers in terms of their approaches to the development and implementation of marketing plans. On a re-evaluation of the research, the majority of managers appeared to place considerable emphasis on their own local interpretation of marketing, based around tacit expertise, rather than on the technical features of orthodox marketing and the analysis, planning and control discourse. In discourse analysis, prevalent structures and functions, represented through key discursive repertoires (Potter & Wetherell, 1987), are examined, and these provided the basis for there analysis of the data. The process of discourse analysis employed here, represents an examination of language through patterns and choice of words, and sentence structures (Copley 2010). In total, twenty-six interviews were conducted with various types and sizes of organisations. In this paper, only five of the interviews are featured, but their perceptions are largely representative of other managers. Names of companies and participants have been altered, in order to retain anonymity. Each interview lasted approximately sixty minutes and took place with individuals in a private room within a building of their workplace. All interview recordings were transcribed and then reproduced verbatim.

As Watson (1995, p. 13) points out, there was an important lesson here concerning the transcription of interviews: “… another voice reminded me … if you have got the energy and time strive to transcribe everything … you never know what might seem significant until you have reflected on it later.” This is precisely what occurred, leading to the production of this paper. During the interviews, a narrative was co-produced between the interviewer and the interviewee (Holstein and Gubrium, 1995; Copley, 2010). The discursive validity of the responses provided was dependent on the ability of the respondents to convey meanings in a form that made them locally comprehensible. Our analysis of these accounts provides a focus for an identifiable discourse, namely a tacite, reflective of the individual manager’s sense of reality (Alvesson, 2003). The tacit discourse we outline emerged freely as each interview, enabling informants to talk openly and explicitly about what constituted their work as marketing managers and the language they employed in its execution.

5. SITUATIONAL, INTERSUBJECTIVE AND INTUITIVE: THE CHARACTERISTICSS OF TACIT KNOWLEDGE

In this findings section we will illustrate that tacit knowledge is conceptually composed of three distinct, but interconnected characteristics. Tacit knowledge as expressed in the interviews appears to be composed of intersubjective, situational and intuitive elements. Firstly, one way to think about the role of tacit knowledge generally in marketing decision making, is to appreciate that is a considerable way removed from the traditional planning models of marketing, with its emphasis on articulated, codified and rational action. At Print UK, a national chain in the B2B market, Irving, the marketing director, introduces us to the unarticulated nature of tacit expertise.

“You have, the conscious incompetence, and the unconscious incompetence, the conscious competence and the unconscious competence and when marketing philosophy gets into the unconscious competence, you know what is the right thing to do instinctively.”

The first of the three areas to consider is the notion of tacit knowledge as being intersubjective. This idea of shared understanding is suggested hereby Shelia, of Paints UK, a major international paintbrush manufacturer.

“The Boston matrix in all truth, we do that by instinct. You just know that wall brushes, for example, it’s a declining market; we won’t be spending a million pounds boosting that product sector. So, cash cows and all the rest of it, we instinctively know what they are, it gets drawn out in different ways. We don't plot it around a matrix as such; we don't sit and draw out a Boston matrix. It is not the sort of thing we consciously sit down and draw up, we know because we know our business, which categories they are in and we make our decisions accordingly.”

Here the emphasis is on the notion of the ‘we’ as in the marketing team, who together, make many of the product decisions in the firm. There is a sharing of tacit expertise, based on experience and joint practice knowledge. Lending support to notions of the tacit as intersubjective, in terms of where we obtain our thoughts and knowledge about the world, is Schultz (1967). His phenomenological idea of the ‘lifeworld’ draws not on the idea of the isolated and private individual, but in contrast, intersubjectivity means a constructed social world, where reality is always shared by people. In a similar vein, Leonard and Sensiper (1998), point out that tacit knowledge is developed communally over time, existing more or less complete in the head of each group member. In communities of practice, implicit ways of working and learning co-exist together (Wenger 1998). Additionally, as Polany (1966) stresses, the transmission of knowledge from one generation to the next is largely tacit, when hidden things are learnt from the words and behaviour of significant others. Most knowledge is accrued in the course of work-
based socialisation (Baumard.1999). To emphasise this point, Tapp (2004) in discussing tacit knowledge in marketing, notes that in work socialisation processes, tacit knowledge is exchanged through jointly performed activities as individuals spend time together.

The second area to consider is that of intuition. Moustakas (1994) argues that intuition is a primary feature of decision-making, a talent that is directed towards the production of solid and correct judgements in relation to everything in the world that presents itself to the individual. Whilst there has been a number of attempts to define exactly what it means, intuition can be seen, legitimately, to reside in the tacit domain, dealing as it does with instinctive, non-linear type behaviour, often associated with the notion of gut feelings. At Books UK, a global company, Jason the marketing director, points out there is a role for intuitive gut feelings, in the new product development process.

"having invested in research we have the results, or should have the results in order to make a thoroughly objective decision, that is what we are trying to do and that is especially important when you have to make 7,000 decisions a year on product, whether you launch a product or not. But at the end of the day, one of the many values of the publishing team...is they have a gut feel for what is going to work and what isn't going to work, and even at the micro level, looking at the cover of a book, they can sense whether it is going to work or not, so I believe there is a role for making those sort of judgement calls..."

As Easterby-Smith and Araujo (1999) indicate, the tacit dimension of organisations involve situated practices – with this in mind, the final area to contemplate here is the notion of the situational dimension of the tacit. Brown (2001 p113), highlights the importance of this localness when discussing marketing decision-making. "Perhaps the most incredible thing of all, however, is that the promulgators of marketing planning places so little stock by what is clearly a complex, convoluted and context dependent process." In terms of the research, David, marketing director of Education UK, an international software development company, alludes to the importance of the situational aspects of the tacit when he says that,

"One of the things I have found, in bringing people to work for us, people have a got a degree in marketing, they have done the classic stuff, and they come in and create a marketing plan, and you look at it and straight off you know it is not going to work. It just doesn't relate to the market place."

As Baumard (1999) notes, there can be a reluctance in organisations to recruit younger managers without experience. What the young managers know is not local, but is summative of the explanations society has produced about organisations and marketing. Clive, sales and marketing manager of Slicers UK, an international firm producing meat-slicing equipment, expresses the further significance of local knowledge. His comments show that the knowledge in his industry is context dependent and recondite and by implication, tacit, where action is rooted in a particular type of contextualised understanding.

"I suppose to some extent it does tend to be a black art. Half a dozen customers can be doing the same thing, manufacturing and marketing the same product, but they are all doing it in a slightly different way."

6. CONCLUSION: TACIT KNOWLEDGE PRODUCTION AND THE IMPLICATIONS FOR MARKETING THEORY GENERATION

Here, some brief implications of the research are considered. This paper contributes to our understanding of marketing knowledge production, by indicating that the tacit dimension contributes significantly to decision making. We argue that the tacit has its basis in three areas, namely the situational, the intersubjective and the intuitive. Further research could help to provide greater justification for this typology and evidence for the presence of tacit knowledge in decision-making. Additionally, it is important to think about the actual content of tacit knowledge and to think about how it can be best disseminated. Firstly, though, it is worth pointing out that it is not a question of suggesting that a simple dichotomy exists between the tacit and the rational model of marketing. In terms of practice, marketing is seen as being more pluralistic than the standard framework takes account of (Coviello et al 2002; Murray et al 2002). Intriguingly, whilst an increasing number of marketing scholars expose the diversity of approaches encountered within practice-focused settings, this is seldom the case concerning the content of marketing textbooks. Despite this, other discursive incursions can be seen to have clearly influenced practice. These include for example, entrepreneurial marketing, (Sethna et al 2013); service dominant logic (Vargo and Lusch, (2008); relationship marketing (Gummesson 2002) and services marketing (Skålén 2009). The problem remains that the tacit - an unarticulated area - is left out of the many (similar) accounts of marketing expertise, present in mainstream texts, where largely rational- technical and universal prescriptions, hold sway.
In terms of our research, it has become clear that each marketing manager contributes to the nature of the pluralism identified above, because he or she has a reservoir of tacit wisdom, which is embedded in the context of his or her own organisation. This knowledge is constantly being drawn on in order to make marketing decisions. As illustrated, tacit knowledge is intersubjective, situational and intuitive, but the challenge is to render this knowledge meaningful in a marketing theory context. A prerequisite here is that it is necessary to accept the proposition that social reality is a constellation of pluralities, where knowledge production is part, contingent on the three factors identified in this study. Importantly this knowledge will not be able to be codified into one overarching marketing reality, but needs to be represented as many realities. In this sense situational specificity in the forms we have examined here, is an important aspect of the practitioner’s role. Marketing theory needs to model the nature of local tacit diversity and its expertise, in such a way as to ensure its dissemination and acquisition. One attempt to model this diversity is indicated by Jaakkola (2011), who evidenced how professional service practitioners, through the mediating effects of language, reduced highly technical processes into a more controllable and easily exchangeable discourse among marketplace actors. This represents a movement of local knowledge as articulated by practitioners, to the explicit dimension. The realisation of this is a necessary challenge. Textbooks should attempt to develop more meaningful and relevant theories of marketing that reflect the diversity of the discipline. In this respect, we believe that tacit knowledge holds an important key to future theory generation.

References


Moderating factors of hotel's room price originating from online reviews

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Abstract:

The Internet offers the potential to make information and booking facilities available to a large number of tourists at relatively low costs. In this way, hotels create opportunities to interact with their customers, though there is a lack of physical interaction that characterizes the new market transactions. This paper attempts to propose a model based on factors originating from hotel guests’ experience, resulting from data provided by a third party websites and trying to determine the effect of those factors on room's offered price. Hypothesis 1e: Room prices of a hotel, is affected by hotel’s personnel. The estimation model is specified as shown in Equation 1. The room price (RP) is the dependent variable, and the independent variables include hotel's cleanliness (HC), hotel's comfortness (HCOM), hotel's location (HL), hotel's services/facilities (HSF) and hotel’s personnel (HP). The empirical part of our research sought to enhance our understanding of the influence of hotel quality perceptions using data obtained from web-based hotel reviews. For instance, comfort deterioration could have a 2.6% impact on the value for money rating variation at most, whereas, the latter could be affected by personnel and services at 15.3% and 14.7% respectively. Hence, this study has practical implications for hotel managers. How a hotel should compromise parameters such as comforts, services etc., that are costly, without great impact on value for money rating. How comfort is defined or how it is rated by the visitors or what the services are that moderate the corresponding ratings is still a question. Thus, hotel managers should pay attention to these reports coming out of such an integrated hotel CRM system. Finally, the paper has some limitations. The data used in this study were obtained from a third-party website, the Booking.com. However, it is a limitation of our study that we have data only from hotels registered in Booking.com. Further research should include more hotels originating from more countries in order to enhance cross-country validity and examine the influence of different cultures

Keywords: Feedback (reputation) mechanism, CRM, hotel industry, online reviews

1. Introduction

The fast growth of the net and electronic commerce has brought changes in the market. Working online gain importance over their traditional methods. Through the Internet customers can purchase many products like books, movie tickets, and music CDs as well as services like tickets or room booking. Simultaneously, customers are now in the position to buy or book services based on other customers’ opinions on the Internet.

Particularly, for tourist industry, the Internet offers to a large number of tourists, the potentiality to book at relatively low prices. Many websites offering hotel rooms and travel facilities provide online tools through which consumers communicate "to each other" sharing their previous experience about the hotels. In this framework, online reviews play an important role in purchasing travel services and thus, networking websites traffic has increased (Mauri and Minazzi, 2013). These on-line reviews provide customers experience and offer recommendations to potential customers in order to plan their travel. Actually, Gretzel (2006) stresses that 77,9% of online users are affected in deciding “where to stay”. Other studies like Vermeulen and Seegers, (2009) depict that positive online reviews have a considerable impact on
customers’ decision-making process. However, this information is to be subjugated mainly by guests and not by hotel managers which is the approach adopted in this paper.

Hotels have uploaded to the network web forms which contain questionnaires for complaints and comments, thus, improving the dialogue directly with their customers. Nonetheless, guests do not feel "comfortable" to express complaints honestly in hotels' complaining forms originating from hotels. Additionally, their "remarks" are imposed in censorship and the latter filters comments uploaded to the web site of the hotel. Consequently, third party websites could be considered more reliable, due to the unbiased and more free expression of guests' comments. Third party websites providing feedback to hotels are more significant regarding reliability and validity of information. From the latter it is obvious that there is a necessity to gather third party information in hotels’ Information System.

Based on this information, hotels can design their customer policy and make important decisions that have to do with the price policy or inherent business procedures to improve themselves. After all, hotels are in the position to assess the aggregate customer experience that influences the value and service quality perceived by customers, and further their loyalty and retention. Information Technology can improve organizational efficiency, but it is believed that there are barriers to the adoption of new technologies, including the cost of adoption, lack of information sources, and lack of strategy within management (Cobanoglu, Demirer, Kepeci and Sipahioglu, 2006).

This study attempts to propose a model based on variables provided by a third party website and trying to determine the effect of those variables on room's offered price. More particularly, the specific objectives of this research are to:

- Identify the possible relationships between room price and hotel quality parameters ranked in a third part website.
- Formulate the linear approximation equation of the hotel quality parameters and the room price offered online.

In the next section of the paper, a review of the literature related to web reputation systems, reporting customer service experience in the hotel sector, is made and addresses the need for effective analysis of online customer feedback. Then, some hypotheses are formulated in order to find out the relationships among the variables that are used to measure hotel quality parameters by third party reputation websites. Next, the methodology to collect data is presented. Then, hypotheses testing along with the results are discussed. Finally, conclusions, managerial implications, limitations and suggestions for future research are made.

2. Literature review

2.1 Online hotel review sites

Hotels are often willing to look for successful and proficient actions that can identify, plump for, attain, build up, and keep increasing loyal and profitable customers (Fan and Ku, 2007). Subsequently, the number of hotels investing in the development of CRM systems has increased over the last years (Songini, 2003). Samanta (2009) underlined that the electronic CRM system has helped hotel enterprises to handle more effectively room and services reservations and provide their customers with them effectively and quickly. Assimakopoulos, et al., (2010) claimed that, in the hotel sector, CRM systems do not embed efficiently marketing variables like customer satisfaction, loyalty, customers’ complaining etc. Belou and Andronikidis (2009) state that Greek hotels (culture) are not in favour of receiving and processing guests' feedback, and, hence, they are not using optimum methods to retain them.

All hotels are collecting information about their guests at either reservation desk and sometimes during their stay. The vital point is the aptitude of hotels to facilitate the collection of customer information. Currently, many websites use feedback forms to collect data from their online users and customers. Nevertheless, few Hotel CRM electronic systems utilize this “internal” customers’ reviews. Furthermore, there could be information coming from “external” sources, which eventually the CRM system did not receive. Additionally, using information from other sources, as a way for customer commitment, raises appealing challengers for conventional CRM looms. Even though the effect of consumer's
feedback has gained a lot of research consideration, there has still been less research on how hotels can generate knowledge from outsourcing information to individualize their services and feed their CRM systems.

2.2. Research hypotheses

Third party information sources could be essential if data is noteworthy. The variables that are measured are: hotel cleanliness, hotel's location, hotel's comfort, hotel's services, hotel's personnel. All those variables are important when it is proven that they could have an impact on the overall satisfaction of the guests. Since competition and environmental hotel parameters like the above mentioned, determine hotel's room prices, it would be interesting to test the existence or not of a relationship among them when data originate from third party websites such as Booking.com. Moreover, if those relationships are verified, it would be interesting to evaluate the weights of each parameter related to the room's price.

Then, the collection of data regarding those variables becomes quite important to the hotels' managers, due to their usefulness to extract prediction models and formulate room prices. The value for money which is a measure of customer satisfaction and entails the dimension of room price, is affected by each of the measured variables of the third party sources. This is already studied in the relevant literature (Prasad, Wirtzb and Yu 2013). However, direct connection to the hotel room prices has not been studied yet. Based on these thoughts, hypotheses are formulated as follows:

- **Hypothesis 1a**: Room prices (PR) of a hotel, is affected by hotel's cleanliness (HC).
- **Hypothesis 1b**: Room prices (PR) of a hotel, is affected by hotel's comfortness (HCOM).
- **Hypothesis 1c**: Room prices (PR) of a hotel, is affected by hotel's location (HL).
- **Hypothesis 1d**: Room prices (PR) of a hotel, is affected by hotel's services/facilities (HSF).
- **Hypothesis 1e**: Room prices (PR) of a hotel, is affected by hotel’s personnel (HP).

The estimation model is specified as shown in Equation 1. The room price (RP) is the dependent variable, and the independent variables include hotel's cleanliness (HC), hotel's comfortness (HCOM), hotel's location (HL), hotel’s services/facilities (HCF) and hotel’s personnel (HP). The formulation of the approximation equation is depicted below:

\[
PR = \beta_0 + \beta_1 \times HC + \beta_2 \times HCOM + \beta_3 \times HL + \beta_4 \times HSF + \alpha \times HP
\]  

3. Research methodology

The data used in this study was obtained from a third-party website, the Booking.com. Different data sources, such as blogs, online travel magazines, review sites, travel websites, and official tourism websites, project different destination images, often chaotic and uncoordinated, because they bring content from different sources and target different audiences (Choi, Lehto and Morrison, 2007).

We were interested in European hotels around Mediterranean sea due to the fact that this region is a popular tourist destination. Data was collected during January 2014 and September 2014. Our research team decided to study hotels of all star categories. Researchers tried to keep a balance of hotels originating from countries with greater tourist industry. The total “population” was 10284 hotels. Data collected concerned the following variables: Hotel name and region, overall rating, value for money, comfort, location, cleanliness, service/facilities, personnel, star rating, room price and total number of comments, positive comments and negative comments for each available category of visitors. The previous mentioned variables, except for hotel name, star rating, room price, number of comments (positive/negative) and region, were measured on a scale from 1.00 to 10.00.

Data was processed and relationships were tested using Pearson Correlation, Analysis of Variance, and Multivariate Regression analysis.

4. Results and analysis
In order to test the hypotheses (H1a through H1e), the Pearson correlation is utilized. It is found that hotel cleanliness, comfortness, location, services/facilities and personnel variables affect the room price (p<0.001). Hence, hypotheses H1a through H1e are confirmed. Moreover, there is a positive influence. It is obvious that although all variables moderate the “Room Price” variable, it would be extremely useful if we could identify the weight of each component. Thus, moving a step forward and performing multivariate regression analysis, the weights are determined. The linear equation that arises is depicted above. The parameters of the equation were estimated using multiple regression and are shown in Table 2.

Table 1. Correlation coefficients of the online review parameters of the hotels attained from Booking.com.

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>STD</th>
<th>Y</th>
<th>V1</th>
<th>V2</th>
<th>V3</th>
<th>V4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y</td>
<td>137.53</td>
<td>113.59</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V1</td>
<td>8.21</td>
<td>1.05</td>
<td>.359(*)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V2</td>
<td>7.66</td>
<td>1.22</td>
<td>.420(*)</td>
<td>.874(*)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V3</td>
<td>8.66</td>
<td>0.98</td>
<td>.275(*)</td>
<td>.711(*)</td>
<td>.332(*)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>V4</td>
<td>7.53</td>
<td>1.13</td>
<td>.397(*)</td>
<td>.876(*)</td>
<td>.916(*)</td>
<td>.350(*)</td>
<td></td>
</tr>
<tr>
<td>V5</td>
<td>8.27</td>
<td>0.92</td>
<td>.273(*)</td>
<td>.759(*)</td>
<td>.715(*)</td>
<td>.401(*)</td>
<td>.777(*)</td>
</tr>
</tbody>
</table>

** p<0.001

Table 2. Parameters of the regression model that approximates the “Value for money” ratings.

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-79.526</td>
<td>9.904</td>
<td>-8.030</td>
<td>.000</td>
</tr>
<tr>
<td>Cleanliness</td>
<td>6.711</td>
<td>1.948</td>
<td>.062</td>
<td>3.446</td>
</tr>
<tr>
<td>Comfortness</td>
<td>39.993</td>
<td>1.922</td>
<td>.431</td>
<td>20.807</td>
</tr>
<tr>
<td>Location</td>
<td>19.846</td>
<td>.978</td>
<td>.171</td>
<td>20.293</td>
</tr>
<tr>
<td>Facilities</td>
<td>27.634</td>
<td>2.217</td>
<td>.275</td>
<td>12.465</td>
</tr>
<tr>
<td>Staff</td>
<td>6.263</td>
<td>1.644</td>
<td>.051</td>
<td>3.811</td>
</tr>
</tbody>
</table>

Profoundly, “Comfortness” and “Facilities” contribute more to the room price. For unitary increase in "comfortness" prices are increased for around 40 euros. Secondly, they all affect positively room prices as all weights are positive. On the other hand “staff” contribution is minimum compared to the other variables, since for every unitary increase in staff score the increase for money price is less than 6.3 euros.

It is well-known in the literature that customer satisfaction/dissatisfaction is affected by parameters that include quality perception like hotel cleanliness, room comfort, hotel special services, personnel etc. (Cronin, Brady and Hult, 2000; Jiang, Gretzel and Law, 2010; Lee, 2010; Tung, 2004). Hotel visitors that write down their dissatisfaction usually elaborate their negative experiences regarding the prior mentioned dimensions of hotel quality perception. All the above mentioned dimensions are considered as important in calculating hotel’s perceived quality (Callan and Kyndt, 2001; Choi and Chu, 2001; Lockyer, 2003; Petrick, 2002; Sweeney and Soutar, 2001). Based on that concept, there is the opportunity to rate all those factors and based on those ratings, one may estimate an overall score which could be considered as a measure of the perceived quality of the customer’s perceived experience.

5. Conclusions, limitations and implications
Guests’ reviews are in the centre of hoteliers interest as this is a major feedback mechanism used for adapting to customers personal needs and they offer individualised services. Those reviews affect human economic decisions and consequently decision-making processes. This has resulted in a constant need for hotel managers to gather, analyze and exploit the information and use it for improving hotel services on the one hand and determine the importance of the information collected on the other.

This study offers a better understanding and useful insight into hotel CRM system and it depicts the need to communicate with a reliable reputation mechanism which will provide customer reviews and comments from Web sources.

Customer feedback comes from a growing number of channels. CRM is responsible for gathering and reporting this information. It is critical for hotels to familiarize themselves with new technology and emerging new channels for a better understanding of their customers. However, many firms believe that as CRM is a technology tool it will automatically improve their business even though they ignore the implementation of basic marketing and management functions, as well as, the specialized software assisting organizations to accomplish their goals. As we have mentioned many times in our previous studies, CRM is first of all a management philosophy (Papaioannou et al., 2011). Technology can assist by exploiting the capabilities of CRM.

The empirical part of our research examines the influence of hotel quality parameters based on data obtained from online hotel reviews, to the room price offered again online through Booking.com. For instance, comfort deterioration for one unit could have a 39.99 euros impact on the value of the room price, whereas, the latter could be affected by personnel and cleanliness at 6.7 euros and 6.3 euros respectively. Hence, this study has some practical implications for hotel managers. How a hotel should compromise parameters such as comforts, services etc., that are costly, without a great impact on room prices. How the variables under study are defined or how they are rated by the visitors or what the services are that moderate the corresponding room prices is still a question. Thus, hotel managers should pay attention to these reports coming out of a hotel CRM system gaining feedback from online review sites.

Finally, the paper has some limitations. A limitation relates to the development of suitable mechanisms to exploit well-defined ontologies in order to operate effectively, based on the comments of third party websites. Another limitation is that the data used in this study were obtained from one single third-party website, the Booking.com. This is a well known user-review site and many tourists are purchasing travel services through it. However, it is a limitation of our study that we have data only from hotels registered in Booking.com.

Further, research should include more hotels originating from countries other than those in this study in order to enhance cross-country validity and examine the influence of different cultures. Currently, the authors are working on these issues.

References


A simulation model for airline pricing

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Abstract:
Airlines operate in a highly competitive market and effective price management is the key factor for their success. One challenge that airlines face is setting ticket prices to maximize revenue. With revenue management, airlines can offer varying prices to achieve the highest possible income. In this study, a simulation model is built to investigate the effect of different pricing strategies on performance results. In contrast to most of the previous studies on the airline revenue management, simulation results of this study show that fixed pricing strategy is the most successful strategy in maximizing revenue among other pricing strategies. Extended studies on airline revenue management are also suggested for future research.

Keywords: Revenue management, Pricing, Airlines, Simulation models.

1. INTRODUCTION

The most notable examples of pricing practices can be found in airline industry. Revenue management, also known as yield management, is one of the mature and wise strategies, providing both management of inventory (seats) and pricing for airlines (Boyd and Bilegan, 2003). In order to maximize their revenue, airline businesses dynamically control the availability and prices of many different classes of tickets (Zhang and Cooper, 2005: 415). Airline businesses offer a variety of prices for seats on the same flight (Bertsimas and de Boer, 2005: 90). Thus, airlines can segment the total demand for air travel according to the different sensitivities to price and the need for travel flexibility of business and leisure passengers. Booking patterns or revenue gains of airlines may be examined through the use of simulation and real-world experimentation (Belobaba and Wilson, 1997: 3).

Although research on revenue management is traced back 40 years, when American Airlines first implemented a computerized reservations system (semi-automated business research environment, SABRE) in 1966, which had the capability of controlling reservations inventory (Chiang, Chen, and Xu, 2007: 98), it is known that there are limited academic studies investigating pricing policy lying behind this strategy within the marketing area since then (e.g. Bertsimas and de Boer, 2005). Overall objective of this study is to attract the attention of marketing academicians on simulation based pricing models and applications of airline businesses, and propose a new way to determine price of the seats.

2. LITERATURE REVIEW

American Airlines described the function of revenue management as “selling the right seats to the right customers at the right prices” in its 1987 annual report (Smith, Leimkuhler, and Darrow, 1992: 8). The overall objective in revenue management is to maximize profits (McGill and van Ryzin, 1999: 234). Thus, airlines pay much attention to revenue management to segment market, forecast demand, manage capacity or negotiate reservations (Barlow, 2002: 206-207). The application of revenue management has been most effective when applied to operations that have relatively fixed capacity, varying and uncertain demand, perishable inventory, high fixed cost structure, and varying customer price sensitivity (Kimes and Wirtz, 2003).

Because airline, hotel and rental car industries had great success in revenue management, attempts to adopt it in a wide range of miscellaneous industries (such as restaurants, casinos, cargo, internet services and apartment renting) have been made by researchers and practitioners (Chiang, Chen, and Xu, 2007: 100). Among the capacity-constrained service industries, airline companies pioneered and have wide applications in the use of revenue management techniques in terms of capacity (or seat) control and dynamic pricing (Bitran and Caldentey, 2003; Chiang, Chen, and Xu, 2007).
Seat-inventory control is defined as “the process of limiting the number of seats to be made available with different price levels on a future flight departure” (Weatherford and Bodily, 1992: 833). On the other hand, the objective of pricing in revenue management is explained as “to answer the question of how to determine the price for various customer groups and how to vary prices over time to maximize revenue or profit” (Chiang, Chen, and Xu, 2007: 105).

In airline revenue management, simulation is extensively used, since it provides a realistic test environment for comparing different situations (Belobaba and Wilson, 1997). Simulation also allows for many iterations of each booking mechanism and revenue structure of the flights to be easily interpreted. For example, Oliveira (2003) developed a computer simulation model to analyze the impact of revenue management on a route in Brazil and found that revenue management had positive impacts in terms of efficiency in allocation.

Practically, there are some complicating factors in revenue management system such as demand volatility, price sensitivity, cancellations, number of controllable booking classes, overbooking, fare values, routing, etc. Thus, some assumptions or approximations should be used when modeling airline revenue management systems (McGill and van Ryzin, 1999). The assumptions used in this study are listed below:

- Customers are not segmented (e.g., business or economy class).
- The simulation system works for only one route/destination.
- Cancellation and/or overbooking (i.e., selling more tickets than available seats due to no show-ups) is not allowed. However, this assumption can easily be loosened by using parameters supplied to the simulation model.

3. SIMULATION MODEL FOR AIRLINE REVENUE MANAGEMENT SYSTEM

In airline revenue management, simulation can be used to get valid results about quantitative implications of methodical modifications (Frank, Friedemann, and Schröder, 2008). The simulation model built in this study starts by asking the user to input some initial external parameters such as the time to departure, total number of seats available for sale, minimum and maximum price to be offered, price adjustment function (i.e., how ticket prices change as the time advances), mean inter-arrival times at the beginning and at the end of the entire time span, inter-arrival time change function (i.e., how mean inter-arrival time changes as the time advances), probability function to determine the number of tickets demanded by each arriving customer, day change time (in minutes from the midnight), probability function to determine if an arriving customer will make a purchase given the price of the ticket, and finally the number of replications which the model will run for. Since the user can input these parameters freely, the model provides a great flexibility to apply and analyze any pricing strategy for any airline.

After obtaining external parameters from the user, the model starts the simulation clock and randomly generates the first customer arrival. In the model, customers are assumed to randomly arrive for ticket purchase according to a Non-homogeneous Poisson Process with mean arrival rate depending on both the time to departure and the day change time. Therefore in a simulation run, the mean arrival rate changes both as the remaining days to departure change and also as the day change from daylight to night in a single day. Arrival time of the first customer is therefore randomly generated based on the starting mean inter-arrival time as inputted from the user. After the first customer arrival, the model randomly determines how many tickets that customer demands, according to the probability function provided by the user as external parameter. If there are enough remaining seats available for the customer, the model then offers a ticket price. Ticket price offered is not random and completely determined by the price adjustment function provided by the user externally. Then the model computes the probability that this customer decides to purchase the ticket(s) given the price offered. This probability is computed again using the probability function provided by the user externally. This probability is then compared to a randomly generated number between zero and one to decide if the customer will make the purchase. If the customer makes the purchase, then the model updates the number of seats remaining (i.e., the number of seats remaining is decreased by the number of tickets that customer purchased) and the total revenue (i.e., the total revenue is increased by the number of tickets demanded times the ticket price). After the update, the customer leaves the model. If the customer does not make the purchase, he/she still leaves the model but the update is omitted. Once a customer leaves the model, another customer arrival is randomly generated, simulation clock is advanced and the same process is repeated until either no seats are remaining or the departure time is reached. At this point, model starts a completely new replication with all the parameters reset to their initial values. After the desired number of replications is run, the model ends by reporting the performance results such as the remaining number of seats, remaining time to departure and total revenue all averaged over the number of replications.

4. SIMULATION RUNS AND THE RESULTS

The simulation model built in this study provides a great flexibility to the user since all parameters are supplied externally and the model runs completely based on the supplied parameters. Therefore, the simulation model can be used for any airlines with any arrival and purchase pattern. However, to get some insights on how pricing strategy
affects the total revenue, 10 different scenarios of pricing strategies are experimented with the model. To be able to measure the effect of pricing strategy on performance measures (excluding other effects) only the pricing strategy is changed while keeping all the other parameters fixed in all scenarios. Parameters that are common to all scenarios are listed in Table 1.

Table 1: Common Parameters for All Scenarios*

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time to Departure</td>
<td>30 days</td>
</tr>
<tr>
<td>Total Number of Seats Available</td>
<td>131 (i.e. seat capacity of Boeing 757-500)</td>
</tr>
<tr>
<td>Minimum Price to be Offered</td>
<td>$100</td>
</tr>
<tr>
<td>Maximum Price to be Offered</td>
<td>$300</td>
</tr>
<tr>
<td>Mean Inter-arrival Time at the Beginning of Time Span</td>
<td>2 days</td>
</tr>
<tr>
<td>Mean Inter-arrival Time at the End of Time Span</td>
<td>10 minutes</td>
</tr>
<tr>
<td>Mean Inter-arrival Time Change Function</td>
<td>Mean inter-arrival time initially starts at 2 days and linearly decreases down to 10 minutes as the time advances.</td>
</tr>
<tr>
<td>Day Change Time</td>
<td>720 minutes (i.e., 12 hours day, 12 hours night)</td>
</tr>
<tr>
<td>Mean Inter-arrival Time Change from Day to Night</td>
<td>Mean inter-arrival time is doubled (i.e., mean number of arriving customers is halved) at night as compared to day</td>
</tr>
<tr>
<td>Probability Function to Determine the Number of Tickets Demanded by Each Arriving Customer</td>
<td>1 ticket with 0.5 probability, 2 tickets with 0.3 probability, 3 tickets with 0.2 probability</td>
</tr>
<tr>
<td>Purchase Probability of each Arriving Customer at Offered Ticket Price</td>
<td>Determined by a linear function of offered ticket price. Probability is 0.4 if the ticket price is $100 (i.e., minimum price) and linearly decreases down to 0.05 as the ticket price reaches up to $300 (i.e., maximum price).</td>
</tr>
<tr>
<td>Number of Replications</td>
<td>100</td>
</tr>
</tbody>
</table>

* These parameters are chosen completely arbitrarily just to run some experiments (scenarios) with the simulation model. In real world applications of the model, airlines should provide all these parameters to the model.

With above parameters fixed, 10 different pricing strategies (i.e., scenarios) are experimented with the model and performance results such as the number of sold and remaining seats, remaining time to departure and total revenue collected, are obtained. Performance results are averaged over 100 replications and provided in Table 2.

Table 2: Simulation Results

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Pricing Strategy</th>
<th>Average of 100 Replications</th>
<th>Total Revenue ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Sold Seats</td>
<td>Remaining Seats</td>
</tr>
<tr>
<td>1</td>
<td>All seats at $100 fixed price</td>
<td>124.09</td>
<td>6.91</td>
</tr>
<tr>
<td>2</td>
<td>All seats at $150 fixed price</td>
<td>103.79</td>
<td>27.21</td>
</tr>
<tr>
<td>3</td>
<td>All seats at $200 fixed price</td>
<td>73.76</td>
<td>57.24</td>
</tr>
<tr>
<td>4</td>
<td>All seats at $250 fixed price</td>
<td>44.35</td>
<td>86.65</td>
</tr>
<tr>
<td>5</td>
<td>All seats at $300 fixed price</td>
<td>16.22</td>
<td>114.78</td>
</tr>
<tr>
<td>6</td>
<td>First 24% of seats at $100 25% - 49% of seats at $105 50% - 74% of seats at $110 75% - 100% of seats at $125</td>
<td>120.16</td>
<td>10.84</td>
</tr>
<tr>
<td>7</td>
<td>First 49% of seats at $100 50% - 74% of seats at $110 75% - 100% of seats at $125</td>
<td>119.47</td>
<td>11.53</td>
</tr>
<tr>
<td>8</td>
<td>First 4% of seats at $100 5% - 24% of seats at $150 25% - 74% of seats at $200 75% - 100% of seats at $300</td>
<td>83.47</td>
<td>47.53</td>
</tr>
<tr>
<td>9</td>
<td>Increase the price by $10 for every 10% seats sold</td>
<td>107.30</td>
<td>23.70</td>
</tr>
<tr>
<td>10</td>
<td>Increase the price by $5 for every 5% seats sold</td>
<td>106.67</td>
<td>24.33</td>
</tr>
</tbody>
</table>
Results provided in Table 2 reveal that fixed pricing strategy at $150 is the best strategy among all other pricing strategies experimented. Results also reveal that unlike previous studies (e.g. Belobaba and Wilson, 1997), revenue management can not guarantee higher revenue than revenue gained from fixed pricing strategy. Since these results are specific to particular set of parameters or probabilities, it may be possible for future studies to find different results with different parameters or by taking into account consumer behavior or competitive environment.

5. CONCLUSION

In this study, a simulation model was built and used to evaluate the performance of pricing strategies that airlines may implement. Traditionally, it is known that, pricing tactics add value to the firm and management can achieve higher revenue by pricing management. Although many previous studies myopically found that revenue management (dynamic pricing approaches) as optimal approach, the simulation results of current study has revealed that fixed pricing can be the best approach for revenue maximization. Fixed pricing strategy does not only make pricing easier for airline price setters, but also, it would be perceived as ethical by consumers since the same price is applied for all passengers. The results of this study have some important managerial implications. When introduction price and maximum price are given, price setter should determine these levels carefully to reach maximum revenue.

One of the limitations of this study is that connecting flights are ignored and every flight is considered separate. Airline firms usually operate in a complex, connecting flights. Thus, simple route structure built in this study should be extended as to include connecting flights also. Another limitation of this study is that optimization is only possible by comparing several “what if” scenarios and selecting the best scenario among compared scenarios. Therefore, a scenario cannot be considered as global optimum, unless all possible scenarios are evaluated and compared. This limitation actually applies to all simulation studies, since simulation is not an optimization technique. It may be possible to analyze revenue management strategies in more realistic and effective way by using Markov decision process, heuristics, simulation-based optimization or a combination of them.

References
Reproduction of gender ideology through Russian consumer culture: the case of iconography of the ‘mother’ in Russia

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Abstract

The study explores the Russian consumer culture by focusing on the gender ideology and its role in the TV and Print advertisements. The focus of the study is to first understand how gender ideology is produced by means of marketing communications. Hence, images of Russian mother will be collected from TV and print advertisements and analysed by means of critical visual methods. The next stage of the research is to understand how the images are created and positioned in advertisements. By heavily relying on Bourdieu’s sociology and Consumer Culture Theory traditions, the research aims to explore and interpret the production of gender ideology in marketing communication by the use of critical visual methods, which will bring to the next stage of the research where the reproduction of gender ideology is investigated from critical feminist perspective, meaning that the qualitative methods are employed in order to understand how images used in advertisements influence the construction of identity of Russian women (mothers).

This paper aims to give an overview of a proposed PhD thesis, by highlighting the structure, research problem, theoretical background and methodologies.

Keywords: CCT, Gender Ideology, Russia, iconography, consumer culture

1. INTRODUCTION

There are number of studies conducted in consumer research related to consumer culture in different cultural settings (Arsel & Bean, 2012), marketplace ideologies (Arnould and Thompson, 2006), sociohistoric influence (Üstüner & Holt, 2010) and the use of images in marketing communications (Schroeder, 2005). In some of the them it is argued that
images used in advertisements shape the consumer behaviour and identities (Domzal & Kernan, 1993). Most of the scholars tend to focus on Western cultures when investigating consumer behaviour and applying Bourdie’s Cultural Capital, thus a huge gap has been identified in this sense to the research related to post soviet countries and Russia, in particular (Duch, 1993). Moreover, the recent reports (Karpova, et al., 2007; Duch, 1993), evidenced that there is a huge space in research related to Ex-Soviet Russian consumption practices, and even less attention given to the consumer research, whereas these aspects are critical for marketing and marketing management (Cadogan, 2012). There have been a few attempts to investigate consumption practice in Russia through the sociocultural and historic perspective (Martanus & Khmelnitskii, 2013; Notten, 2012) and even less effort has been given to the development of a theoretical approach and models for the chosen economy (Holden, et al., 2008).

Russia is considered as one of the most important emerging economies worth for exploration (Hanson, 2013; Leonova & Eygel, 2013). Besides Russia’s huge population, the country also boasts massive natural gas and oil reserves (Laryša & Mareš, 2011). The consumer culture is moving forward, making it realistic to explore the motives behind consumer culture in Russia (Dralyuk, 2012; Dominici, et al., 2013).

The study aims to focus and understand the use of the images of Russian Mother in advertisements and interpret the meaning that consumers give to the images used in those advertisements. Consumer behaviour relies on images, such as brand images, artistic images; digital images etc. Understanding images with hidden meanings and values that are used and circulated in marketing communications is vital for consumer-oriented businesses (Cadogan, 2012). Hence, identifying how images used in advertisements function within the cultural system and how consumers give meanings/interpret those images (Schroeder, 2002) is the core of this research.

In order to give a clearer image of the concepts stated in the title we give further definitions. Thus, Ideology is a set of beliefs/attitudes shared within a specific group and it impacts the way people think act and view the world (Oxford Dictionary). Gender ideology, on the other hand, signifies the attitudes/beliefs towards the appropriate roles and responsibilities of women and men in a society/culture (Kroska, 2006). For this particular research consumer culture is described as an integrated/unified system of commercially produced images, texts and objects, which are used by specific groups through the construction of overlapping and conflicting practices, identities and meanings (Arnould and Thopmson, 2005). And finally, iconography is dealing with identification, description, classification and interpretation of icons, symbols, and themes in visual arts (Bonnel, 1999).

1.1 Research aims and objectives

The aims and objectives of this study is to investigate how the gender ideology is produced in consumer culture by means of images employed in marketing communication in Russia and finalise the concept of reproduction of gender ideology through the consumer interpretation of images used in the iconography of Russian brands. In order to achieve the proposed research objectives, the thesis has been divided into three empirical chapters covering the following topics:

1. Production of gender ideology through marketing communications in Russia
2. Reproduction of gender ideology and iconography of Russian brands
3. Challenging gender ideology: icon of ‘Mother’

The first empirical chapter has a structured approach with a component of critical visual analysis of the images of Russian mother used in popular women’s magazines and TV advertisements. For the effectiveness and validation of the research outcomes further investigation will be conducted with editors and advertisement agencies with the tactical
purpose of understanding how the particular images of motherhood are positioned in ads and generally how the ads are designed and originated. The second empirical chapter’s objective is to find out the consumer perception of images produced in Russian ads and how the visual representations impact on the construction of their identity. The theoretical objective of this section is to explore reproduction of gender ideology from critical feminist perceptive. The final chapter will cover the discussions of managerial implications by synthesising the outcomes of the previous chapters. More specifically the purpose of this section is to meet the strategic objectives by reflecting upon the reproduction of gender ideology, the role of the icon of mother in advertising and branding from managerial angel.

1.2 Sociocultural and historic background to Russia

When looking at the consumer culture within a given context it is essential to stretch the understanding about the country, its sociocultural and historic background. Hence, following the CCT tradition and its positioning in the Consumer research, this study focused on some key sociohistoric events and factors taken from history of Russia. The roots of iconography have been found since the rise of Russian Empire (Service, R., 2003), resulted from the affiliation of church and Emperor Ivan the Terrible in the preference of the ideology, where tsar (emperor) was presented as an icon of God on earth. Throughout its existence the country passed through several transitions, ideological backdrops and drastic changes (Goldin, 2010). Bolshevik revolution and the rise of the Soviet Union (1917-1991) brought a promise of equality and reconsideration of women rights in Russia. However, the picture evidenced opposite. The meaning around the image of Russian women has been constantly changing, depending on the strategy and propaganda by the ruling authority. The life of women in soviet era has been documented and according to the record the women had quite precipitous images shaped by the political ideology of the time. Image of women-worker (Lenin, 1917), then superwomen (Stalin, 1945), that combined the images of women-worker and mother, and finally those images were replaced by traditional image of woman as wife, mother and homemaker (Gorbachev, 1953). Nowadays Modern Russia is described as a collectivist culture (Hofstede, 2014), with traditional family values, with specific gender roles within the family structure. The most flashing point of Russians is the national pride and the endless sacrifice for the motherland. They have strong nationalistic values, preserving the folk culture in all aspects of life. The cultural capital built on the basis of religion has huge stimulus on the national identity of Russian people.

2. LITERATURE REVIEW

The theoretical background of the proposed research is based on the Consumer Culture Theory tradition and philosophical interpretations of Bourdieu’s sociology in the context of ideology and consumption practice. For this instance a summary of the above-mentioned approaches is provided. CCT is a newly emerged family of theoretical perspectives that address the dynamic relationship between consumer actions, the marketplace and cultural meanings (Arnould and Thompson, 2005). This particular research tradition explores the consumption practice through sociocultural, symbolic and ideological perspectives. CCT offers theoretical base of exploring the sociocultural aspect of consumption from different angels. Authors argue that this research tradition explores the consumption aspects through sociocultural, experiential, symbolic and ideological perspectives which enable scholars to observe consumption as ongoing exchanges within a dynamic socio-cultural context. It has built on the work of Bourdieu (1989) and others to observe the ideological context in which consumption takes place (Nairn, et al., 2008) however the emphasis of the ideological aspect is positioned through ‘dominant interests of a society’ (Hirschman, 1993) that shapes the consumer identity and life-style ideals (Arnould & Thompson, 2005).

Along with the rich approaches of investigating consumption practice, CCT has some limitations due to the particular topics being left out of the discourse. Based on the literature review, some gaps have been identified that are linked to the gender related studies, feminist enquiries, embodied ideology; poverty; politics and equality (Cova, et al., 2013) (Bode & Østergaard, 2013). All these aspects are taken into account for further investigation in the given context.

2.1 Bourdieu and Consumer Research

Over decades there have been a few attempts to apply Bourdieu’s ‘Cultural theory’ (Bourdieu, 1992) on various aspects of practice (Boghian, 2013) and the ‘consumption’ process (Allen, 2002). One of the earliest scholar that demonstrated
how cultural capital constructs consumption and the work of Bourdieu was Holt (1998). Since then research stream brought to the acknowledgement of ideologies present in consumption (Schouten and McAlexander 1995; Thompson and Coskuner-Balli 2007). Consequently, different scholars (Born, 2010) offered a combination of similar theoretical perspectives (Dominici, et al., 2013) and frameworks (Nairn, et al., 2008). The literature evidenced that most of the studies that employed the Bourdieu’s theoretical approach were mainly conducted in the western side of the world, thus dismissed the opportunity of looking at the Bourdieu’s effect in an international context. On the other hand, as previously mentioned CCT is constructed on the Bourdieu’s Cultural Capital (1989), based on the research it seems that authors largely ignored the impact of production/ reproduction of dominant ideology in consumption practice, particularly disregarded the impact of it on the marketplace ideologies (Hirschman, 1993). Below is a short summary of some key studies that employed Bourdieu’s sociology in Consumer research.

Bourdieu has been widely used in consumer research for decades (Griller, 1996) and many scholars (Born, 2010) refer to taste as a critical part of judgment and decision making process in consumption (Hoyer & Stokburger-Sauer, 2012). As a great example, we offer a short overview of an article about the ‘status Consumption in Less Industrialised Countries (LICs)’ (Üstüner & Holt, 2010), where the key approach of understanding the mechanics and social consequences of consumption is tightly correlated to Bourdieu’s theoretical contribution. Authors refer to the limited theory about status consumption in LICs and offer an advance approach aligned with the three key constructs in Bourdieuian theory-cultural capital, habitus, and social field (Bourdieu, 1992). Furthermore, authors argue that the ‘global trickle-down’ model fundamentally discounts Bourdieu’s conceptual innovations, namely the different class functions in various status consumption strategies along with the economic and cultural capital (Üstüner & Holt, 2010). Hence, Authors suggest firstly applying the Global Trickle-down model, followed by the Western model of Bourdieu’s theory to the upper-middle class of Turkish women society. The results outline the weaknesses in both above-mentioned approaches. According to the article, consumption field in Turkey divides into different classes and those classes compete in order to mobilize their economic and cultural capital to ensure a higher social standing, which ultimately fits with Bourdieu’s theory. Yet, it is mentioned that cultural capital has a diverse form in LICs in comparison with Bourdieu’s model (Üstüner & Holt, 2010). As a result, this empirical ‘status consumption study’ introduces a new stream for global cultural research.

Another article in consumer research by Arsel and Bean (2012) give an outline of a ‘practice-based framework of taste’, fundamentally based on Bourdieu’s conceptual framework of ‘judgment of taste’. Arsel and Bean researched the ‘taste’ determinant, by analysing the popular home design blog via adaption of mixed research methods. The main findings, presented the conclusion that taste regimes formulate the preferences for objects and associates all the meanings related to the object and its doings (Arsel & Bean, 2012). In this study the concept of taste regime is introduced and defined as a unique system that connects aesthetics to practice’ (Arsel & Bean, 2012). The term ‘taste’ is viewed as a Bourdieuian formulation of ‘class-conditioned habitus’ (Bourdieu, 1992) and further added by authors that it is “neither purely agentic nor completely unconscious and conditioned but rather it is a form of reflexivity bounded by socio-cultural constituted practice” (Arsel & Bean, 2012). Unlike Üstüner and Holt, where they concentrate on the role of taste as distinction (Üstüner & Holt, 2010), Arsel and Bean focus on the means of ‘taste patterns’ transformation into practices. Based on Bourdieu’s conceptual framework authors extended the concept of ‘taste’ from a boundary-making mechanism (Bourdieu, 1992) to an expansively constituted and constantly performed practice (Arsel & Bean, 2012). In Bourdieuian theory the practice knowledge is conceptualised as a ‘socio-historically shaped and class-conditioned phenomenon’ (Bourdieu 1984). In this study, scholars contrast with an approach that ‘mass-mediated regimes affect the acquisition of practical knowledge beyond social class conditioning’. The article contributes, with its practice-based approach to taste, by bridging two theories (‘practice-based consumption theory’ and ‘the judgment of taste’ theory) in consumer research. In this light, the proposed research will heavily rely on this article for future references on the ‘taste regime’ in the consumption practices.
In the following article Arsel and Thompson (followed by Arnould and Thomson (2005) CCT research) highlight a new insight to the research tradition by investigating the field consumption from the Bourdieuian approach (Bourdieu, 1989) and try to construct the identity projects of CCT under the marketplace myths effect. They argue that a specific brand or consumption activity is stimulated by cultural resources or marketplace myths (Arsel & Thompson, 2011). The aim of this research is to investigate to what extend the marketplace myths influence consumers’ identity investments in a consumption process. This project is akin to Consumer culture theory tradition (Arnould & Thompson, 2005), however, it is constricted to only the first domain of CCT: Consumer identity projects. The article views the Consumption Field referring back to Bourdieuian conceptual framework (Bourdieu, 1992), where he argues that the field is an equivalent to ‘a game’ and, as a matter of fact, it is structured by rules and regulatory bodies that lead players strategic actions in the field (Arsel & Thompson, 2011). Moreover, the ability to ensure comfort or to compete for status in the field activates the cultural and sociological predispositions in the field. Authors mention the importance of the Bourdieuian analytical stream, which enables the reproduction of social class distinction through the level of cultural capital in consumption. Thus, Arsel and Thompson state that field consumption with the Bourdieuian effect is the vital aspect to develop in ‘identity project’ valuation which primarily builds on the (field-dependant) cultural and social capital. The articles outlines the theoretical insights of consumers’ reflexive efforts to manage, protect, or enhance the identity value of the cultural and social capital they gained via identity investments in a particular field of consumption (Arsel & Thompson, 2011). It is further suggested to investigate the affiliation between consumers generalised and field-dependant cultural capital.

2.2 Gender related studies in Consumer Research

Literature evidenced that there is an emerging interest in studies related to the gender roles in consumer research. Nevertheless, most of scholars tend to focus on the degree of femininity and masculinity traits popular in consumer research (Palan, 2001; Durante et al, 2011; Fan&Miao, 2012; Tiferet et at, 2012). Moreover, generally most of the studies tend to explore the representations of female or male bodies in advertising. Academics view advertising as a powerful means of constructing, influencing and illustrating the consumer vision of the good life, including in large parts, sexual attraction (Schroeder, 2011). It is also argued that ads shape the gender identity (Domzal&Kernan, 1993). Studies in the past were more focusing on the role of sexuality (image) and its influence on the consumption practice. Furnham and Spencer (2002) attempted to give theoretical explanation of female roles in contemporary advertisements. Most of the authors were looking at the gender stereotyping in ads through quantitative content analysis. Attention was largely given to the religious symbolism and role changing developments in a society through meta-analysis of gender roles TV and radio ads and only a few looked at the images through qualitative approach and critical visual methods.

2.3 Visual Consumption and Consumer Culture (CC) (Schroeder, 2006)

In his ‘Visual Consumption’ Schroeder highlighted the importance of images in cultural life and the consumption practice as it is a powerful tool used in marketing communications with hidden values (Schroeder, 2006). From methodological perspectives, visual culture combines elements of visual sociology, social semiotics and film theory. The main objective of this research tradition is to demystify, historicize and visualize the image. Schroeder (2002) uses the image-based approach to understand consumer behaviour and the image culture, hence, how people understand and decode images and how those images circulate in culture. Other researchers focused on the role of sexuality (fetishism) in visual consumption and why visual images create desire. Thus, Furnham and Spencer-Bowdage (2002) attempted to give theoretical explanation of how gender and multicultural identities are represented in contemporary advertisements. Luyt (2011) looked at the gender representations in TV advertisements, investigating both male and female representations through content analysis. Eisend (2010), on the other hand, observed the degree of gender stereotyping in advertising and the role changing developments in the society through the meta-analysis of gender roles on radio and TV ads. One of the recent studies talked the religious symbolism in consumption (Lin & Yeh, 2013) and product advertising. Lin and Yeh (2013) suggested the female role in advertisements used in patriarchal society as the intended justification of the prevailing ideal. In this study the female role visualization consumption (FRVC) were viewed from different prospective; such as: two ancient and historic characters representing sexuality (Lilith) and motherhood (Eve);
and relatively modern idealised goddess, such as traditional housewife roles, physical attractiveness, sex object roles, and decorative roles (ex. as companions to men) (Lin & Yeh, 2013).

3. METHODOLOGY

This research is positioned in the methodological traditions proposed by CCT. Thus, the philosophical background is inductive interpretivism with a strong element of critical feminism. For the purpose of achieving the research objectives, this research considers several research designs that would meet the criteria of each empirical chapter. As previously mentioned, this research investigates the imagery representations of Russian mother in marketing communication. Thus, the sample characteristics are as follows: five most popular women and baby magazines have been chosen based on the readership and number of units sold statistics. The images will be chosen based on the characteristics that describe women representation as mother (picture contains child, product advertised, family). Further the images would be analysed through qualitative content analysis (characteristics: demographics, psychographics, image background, position, glaze, product/service advertised; clothing etc.) and critical visual methods. Same methods will be applied to the TV ads with slightly different characteristics of variables (e.g. the movement, the voice of the ad, etc.). Further, interviews with advertising or design agencies will be conducted, with the aim of understanding how the images are created and positioned in particular magazines and TV channels. The data will be further analysed and interpreted.

The reproduction of gender ideology will be investigated by means of qualitative methods, where in depth interviews in three different cities in Russia will be conducted. More specifically: Moscow, St Petersburg and Stavropol. The theoretical and epistemological reasons for choosing different geographical locations are to show similarities across diversity. Based on a recently conducted pilot study it appeared clearly that the responses from participants located in different cities are extremely divergent. Interviewees will be young mothers (transition to the motherhood will be considered).

In order to tests the validity of the chosen methods, problems of interpretivism and the role of bias are considered, along with the epistemological assumptions of feminism. The research has less standardised content analysis (Polit and Beck, 2004). The reliability and validity of data will be considered by means of the techniques and characteristics employed in assessing images according to the critical visual methods.

Some characteristic obstacles that the research will face during data collection and analysis is distance, language, and time management. The research has some limitations in terms of the sample size, which will give results limited to three cities, and only up to 50 participants (in terms of interviews). However this research aims to urge scholars to give a further push to the consumer culture and impact of gender ideology in marketing.

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The effect of neuromarketing elements at the point of sale on the consumer´s decision making process- an empirical study in the retail sector

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Abstract

The aim of this study was to outline the effect of neuromarketing on product presentation at the point of sale in the retail sector. Presented theories help to understand the different tools of neuromarketing. Design elements at the POS and forms of product presentation are discussed in order to realize how these elements influence purchasing behaviour. The data from the quantitative study depicted a significant correlation between dwelling time and money spent in the store. Moreover, people buy more when they make use of product tastings in stores and they spend most for their own consumption coupled with the purchase of a gift. However, it could not be proven that the scent in the shop is essential for the positive perception of the atmosphere.

Keywords: neuromarketing, retail sector, consumer behaviour, decision making

1. INITIAL SITUATION

Nowadays humans are overloaded with an explosion of information and are paced with the problem of information excess or customer confusion (Scheier & Held, 2010, p. 152). The human brain can only process a limited amount of data and yet people are confronted with so much information every day. This is a reason why we should become aware of the unconscious process in the mind of customers (Felix, 2008, p. 2). Today’s retail environment is characterized by high market saturation and this results in a decreasing product involvement (Traindl, 2007, p. 49). Researchers estimate that 95 % of all advertising media contacts are low involvement (Scheier & Held, 2010, p. 152).

A very important fact is that most of the decisions are based on unconscious processes (Häusel, 2007, p. 10) and more than 70 % of purchasing decisions are made spontaneously and impulsively directly at the POS (Kreutzer & Merkle, 2008, p. 310). Other than sales promotion, concepts which create further value, for example emotionalisation, contribute significantly to influencing and encouraging the consumer’s buying decision (Gerling & Lohmann, 2010, p. 229).

Whether a customer feels or does not feel comfortable in a shop can also be a major factor in the decision making process. It is important to imply an undisturbed sense of wellbeing at the POS. In this way a rational purchase can become a positive and emotional experience which remains longer in one’s memory (Jäggi & Portmann, 2010, p. 206).
Emotions have an influence on purchasing decisions and emotions are formed in the brain (Pispers & Dabrowski, 2011, p. 54).

It is important to recognise the link between economics and neuroscience in order to understand unconscious processes and decisions made in the mind of customers. Neuromarketing helps to explain the process of the brain and human behaviour. It is essential to understand how customers make their decisions in order to increase product sales (Labude, 2008, pp. 7, 11) and to direct the attention of the customer in order to gain positive effects (Pispers & Dabrowski, 2011, p. 48). Therefore this empirical study aims at analyzing how certain neuromarketing elements influence the customer’s purchase decision at the POS. The retail sector in general and in particular an Austrian medium-sized specialty retailer was selected as an example.

1.1 Neuromarketing elements at the POS

The basic of product placement is the determination of the exact position a product is placed at the POS (Witzler & Pavelka, 2007, p. 57). The central task is to decide where to place individual goods, product groups or product areas, on the sales floor, on shelves in which form and to what extent (Zielke, 2002, pp. 9-10).

Brand awareness, quality and price are just a few factors that influence a consumer’s decision making process and buying behavior in a shop. Product presentation is so important because it is often the decisive incentive for an impulse purchase. Therefore, a meaningful placement of goods should influence the behavior of consumers. An essential fact is, that stimuli from product presentation engage the attention of the customer (Hurth, 2006, p. 146).

The way a product is presented is very important because the product has to stand out, otherwise the customer does not even notice it (Häusel, 2008, p. 215). The consumer only takes notice of product presentation if it is emotionally interesting. Emotionally uninteresting (neutral) subjects are usually not even noticed by the customer (Häusel, 2007, p. 53) and as a consequence not purchased.

Nowadays retailers use more and more different forms of neuromarketing elements at the POS. Within this study four important neuromarketing elements are selected for further research to attract the attention of the customer in the store: product tastings, decoration, scent and displays. Those elements have been chosen because they are the most frequently used elements in the Austrian retail sector.

Product tasting is an unwrapped product which is usually presented by staff or a promoter in small units for the customer to consume directly in the shop (Frey, Hunstiger, & Dräger, 2011, p. 349). An important fact is that almost 90% of all food products are flops because the customer has never tried them, but not because they so not like them (Underhill, 2012, p. 195).

Different tasting samples can engage the consumers directly in the food experience and stimulate them to buy (Morrison & Mundell, 2012, p. 85). They can also reduce uncertainty for customers. Also attitudes which are reached by tasting are stronger and safer than through advertising (Lotzkat, 2013, p. 30). Any time products are displayed as a sample, it is important that they can be seen by other consumers while they are being enjoyed by another. It is essential to stimulate desire and to move the consumer to purchase. (Pradeep, 2010, p. 50). Furthermore, due to the scent of a product tasting, customers can be led to special shelves where they can also gain more information about the product (Haug, 2012, p. 69).

Decoration can help to attract consumers and entice them to stay longer, feel comfortable and buy more products. The primary function of decoration is promotion. It also affects the atmosphere of the sales room (Schenk, 2007, p. 187).
The product placement is enhanced with an attractive object and it can thereby support promotion activities (Folten, 2007, p. 43). Furthermore, decorations should be pointed and targeted and the theme should be repeated at least once in the sales room (Beer & Rutschke, 2011, p. 194). Moreover, decorations should follow a special schedule which is often changed. For example, daily products should change every week and all other products should be presented differently every three weeks (Pepels, 2012, p. 1220).

Decoration is an experience element and not only traditional decorative materials, wall coverings or art should be used. Pieces which are not involved with the branch or rarities make the heart beat faster. This creates a surprise effect and this can be used intensively in decoration (Schenk, 2007, pp. 187-188). A slightly appealing form of decoration can raise the buying mood (Biehl-Missal, 2011, p. 62). As a consequence, it can be seen that this element also plays an important role and therefore should not be ignored by shopkeepers.

The display is a special form of product presentation at the POS. It is possible to generate the customer’s attention with a prominent design type and this encourages spontaneous purchases. A display in isolated form can also suggest a special offer (Lotzkat, 2013, pp. 19-20, 236) because they are often used as a sales aid for sales. Mostly, displays are made out of cardboard, plastic, wood or metal. They are additional product shelving as well as the permanent place on the shelf (Frey, Hunstiger, & Dräger, 2011, p. 303).

In practice, four different types of displays are distinguished: sale display (floor or cash desk display), pallet displays, presentation displays (especially for information materials) and permanent displays (Schröder, 2012, p. 181). The preferred locations for displays are checkout areas, contact points, service zones, aisles and near product magnets (Pflaum & Eisenmann, 1988, p. 152).

The sense of smell probably has the highest unconscious effect, because it reaches straightforward to our emotional centres in the brain (Häusel, 2013, p. 31). The nose transmits its impulses directly to the limbic system. As previously mentioned emotions and instincts are located in the limbic system. It reacts in a split second to fragrance stimulus (Gutjahr, 2011, p. 171). How people rate odour and how they react, depends on the memories. Odour is never neutral, because they are interpreted emotionally and rated subjectively (Gutjahr, 2011, p. 172).

Due to the scents, providers of products and services have a further design tool available. It is an ideal anchor point for an experience-oriented multi-sensual presentation due to its ability to elicit emotions and experiences. The potential that lies in the emotional effects goes far beyond other stimulus because of the very early evolutionary origin of smell (Knoblich, Scharf, & Schubert, 2003, p. 5).

The main objective of "scent management" in the retail sector is to keep the customer in the store as long as possible. The longer a customer stays, the more he buys (Häusel, 2005, p. 181). Scents are used both to increase sales, as previously mentioned, at the point of sale and also in the context of multi-sensory branding to increase the value of a brand. Smells can trigger direct expectations of the consumer. For example, a customer assumes that if something smells good, it is not harmful (food), probably delicious in flavour and may cost more (Nölke & Gierke, 2011, pp. 129-130).

The right scent can even make people cooperative. The effect of these scents is based on a simple scent association, since all of these smells are already associated with the products (Rushkoff, 2000, p. 114). Scents do not just brand stores but they also evoke emotional response, as previously mentioned, people can become more cooperative. Furthermore they can feel more relaxed, peppy, or nostalgic. Because of this strong impact on the mood of the customers, is it possible, for scents to have desired effects on shopping behaviour (Ebster & Garaus, 2011, p. 121).
1.2 Methodology

The aim of this study was to find out if at all and how four selected neuromarketing elements can influence a consumer’s purchase decision at the POS and increase product sales.

For the empirical analysis two different methods were used. Central for this study was the observation of the customers (n= 100) in two carefully selected specialty retail shops. Additionally a face-2-face interview was conducted to gain information from the customer’s perspective and to validate the observations. Moreover, the shopper routes in the stores were observed in order to gain a better insight in the shopping behavior of the customers. For the entire empirical study two very well-frequented franchise stores of an Austrian grocery retailer were selected and observed during a period of four weeks. The observation of this empirical research was hidden, not participating and not intervening. The emphasis was on the occurrences and actions of the various surveyed persons using an observation template.

2. EMPIRICAL RESULTS

The following hypotheses, based on the literature review, were set up and tested with the statistic program SPSS.

H1: Customers with a higher dwelling time in the store buy more (purchase total)

To prove this hypothesis a correlation analysis was made. The variables “dwell time in the store” and “purchase price” (money spent on products) were used. The Spearman correlation test shows significant results (r= .457**). The analysis shows that customers with a higher dwelling time in the store buy more.

H2: Customers which taste products directly in the store buy more.

As it can be seen 19 participants made use of the product tasting in the shops.

Table 1: Ranks- participants tasted products

<table>
<thead>
<tr>
<th>Ranks</th>
<th>participants tasted products</th>
<th>N</th>
<th>Mean Rank</th>
<th>Sum of Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>purchase price</td>
<td>yes</td>
<td>19</td>
<td>64,84</td>
<td>1232,00</td>
</tr>
<tr>
<td></td>
<td>no</td>
<td>81</td>
<td>47,14</td>
<td>3818,00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The normal distribution is not given because 0.005 < 0.05 and therefore not the t-test is calculated to test whether customers buy more when they taste products directly in the store. Therefore the U-test (Mann-Whitney) is used. 0,017 is less than 0,05 and significant. The difference of the spent money is significant by people who tasted or did not taste a product. People who taste products directly in the shop buy more. This hypothesis is formulated unilateral and the test is
bilateral. That is why the significance level 0.05 is divided by 2. 0.017 is less than 0.025 and thus the significance is given.

H3: The scent is essential for a positive attitude towards the store atmosphere

Table 2: Tests of between-subjects effect

<table>
<thead>
<tr>
<th>Source</th>
<th>Dependent Variable</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scent</td>
<td>pleasant&gt;&lt;unpleasant</td>
<td>,126</td>
<td>4</td>
<td>,032</td>
<td>,797</td>
<td></td>
</tr>
<tr>
<td></td>
<td>warm&gt;&lt;cold</td>
<td>,267</td>
<td>4</td>
<td>,067</td>
<td>,750</td>
<td></td>
</tr>
<tr>
<td></td>
<td>relaxed&gt;&lt;hectic</td>
<td>,583</td>
<td>4</td>
<td>,146</td>
<td>,657</td>
<td></td>
</tr>
<tr>
<td></td>
<td>sympathetic&gt;&lt;unsympathetic</td>
<td>,164</td>
<td>4</td>
<td>,041</td>
<td>,498</td>
<td></td>
</tr>
<tr>
<td></td>
<td>modern&gt;&lt;traditional</td>
<td>5,496</td>
<td>4</td>
<td>1,374</td>
<td>,686</td>
<td></td>
</tr>
<tr>
<td></td>
<td>extraordinary&gt;&lt;ordinary</td>
<td>2,335</td>
<td>4</td>
<td>,584</td>
<td>,550</td>
<td></td>
</tr>
<tr>
<td></td>
<td>diverse&gt;&lt;boring</td>
<td>,472</td>
<td>4</td>
<td>,118</td>
<td>,859</td>
<td></td>
</tr>
</tbody>
</table>

The scent has no significant influence on any areas of the shop atmosphere. This shop atmosphere was evaluated through the areas pleasant to unpleasant, warm to cold, relaxed to hectic, sympathetic to unsympathetic, modern to traditional, extraordinary to ordinary and diverse to boring.

3. CONCLUSIONS AND MANAGERIAL IMPLICATIONS

This study has shown that it is important to stimulate all five senses of customers to influence the customer’s decision making process in a retail shop because people take up brands faster and integrate them faster in memory when all senses are affected. Customers consider the sales room as a whole and tit is important to consider the interaction of several stimuli. In order to guarantee a shopping experience, no part of store design may be excluded because as previously mentioned, customers consider the salesroom always as a unit.

Taste is closely connected to the olfactory process and this sense is rarely used. A fact is that almost 90% of all products are flops because customers have never tried them but not because they do not like them. Tasting samples can engage the consumers directly in the food experience and stimulate them to buy. Decoration can help to attract customers and entice them to buy more products and to feel comfortable. The primary function is promotion but it also affects the atmosphere and raises the buying mood. The display is a special form of product presentation at the POS and it attracts customers. Their main task is to generate impulse purchases.

For the use of Neuromarketing at the POS are some instruments available. Images are very important at the POS because a picture reaches the brain in one to two seconds. Humans perceive images first with the limbic system and this is an automatic perceptual process. Neuromarketing studies have proven that emotionally charged images induce a significantly higher neuronal activity. Images attract attention and they are quickly perceived. Furthermore, images should not be too small in a sales room because then the effect is too minor. Moreover, at the POS the physical characteristics of a product activate implicit mental concepts and the connection between is a code. There is a difference how information is implicit and explicit perceived. The unconscious perception with about 90-95 % is high compared
with the conscious perception (5-10 %). Codes are divided into four types, language stories, symbols and sensors. Motives and emotions are similar, but not the same. Behind emotions are goals and the target component is an essential part of the motive. Emotionally stimulated customers on average stay longer, take more information, are happier and does not know how time flies. Limbic is a unique instrument for Neuromarketing and it is a model for motives and decisions. The limbic map is a tool and it consists of three types, balance, dominance and stimulant.

For the empirical part of this master thesis, an observation of customer behavior, face-to-face interviews and an observation of walking patterns have been conducted. However, regular product tastings take place, they are only accepted by 19 %. The usage of scent is for customers one of the most important neuromarketing elements in a shop, followed by light and colour. The atmosphere in the shop is very positive perceived. Due to the observation of the way the customer takes through the shop, very well frequented and also less to no frequented zones could be determined.

The results indicated that customers with a higher dwelling time buy more and customers also buy more when they taste products. Also customers spend more money when they buy for their own consumption coupled with a gift. However, the smell does not affect the positive attitude of the store environment.

For further research an eyetracking study in those retail shops could be conducted in order to get further information about the consumer’s unconscious decision making process and to get better insights into this research topic.

References


The battle for customer relationship: Toward the operationalization of the investment model

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Abstract
Purpose – This study examines why customers commit to and maintain relationships with offerings (i.e., automobiles or cars and apartment rentals) by operationalizing the Investment Model (IM) in a highly competitive domain.

Design/methodology/approach – Data were collected through surveys administered to 221 customers. We used partial least squares – structural equation modeling (PLS-SEM) to empirically evaluate our commitment and relationship maintenance model.

Findings – We find support for the Investment Model and show how useful it is in predicting customer commitment towards relationship maintenance in the car and apartment rental domains. Among the variables of IM we found quality of alternatives as the most significant and important predictor of customer commitment. While our result shows satisfaction to be the second most significant predictor for customer commitment, investment size did not exert any influence on commitment.

Originality/value: This study contributes toward theory development and the identification of variables showing how customers attach greater importance and when making a commitment towards relationship maintenance. Managerial implications of the findings, limitations and future research directions are provided

Keywords: Customer commitment, Investment model, Relationship maintenance, Quality of alternatives PLS-SEM

1. INTRODUCTION

Services are important differentiators in today’s competitive market. The widespread recognition and the increasing importance of services and service excellence give credence to the fact that the service sector dominates economies of both developed and developing countries (OECD, 2010). According to the OECD (2010), the service sector in 2008 alone added 79 percent of gross value to the US economy, accounting for 144.4 million jobs. For service marketers, satisfying customers is a core business challenge that has to be dealt with since a loyal and committed customer base is important in achieving business profitability and increased market share (Wallenburg et al., 2011; Li et al., 2005). Despite the importance of customer input as the basis of firms’ appreciation of customer commitment, a gap exists in our knowledge because prior research on commitment in operations and marketing has focused on the firm’s approach towards commitment with little research on the customer’s perspective (Chang et al., 2012; Sheth and Parvatiyar 1995).
Commitment is a requirement for long-term relationships and subsequent maintenance of the relationships (Chang et al. 2012; Anderson and Weitz 1992; To and Li 2005). Notwithstanding the growing activities and interest in the examination of the role of customer relationship and commitment levels to the firm’s offerings (Anacarani et al., 2011; Valsamakis and Spraque, 2001), review of the literature reveals little empirical investigation operationalizing the Investment Model (IM) in service marketing, operations and management-related disciplines. The Investment Model (IM) (Rusbult 1980a; 1980b) is built upon a theory in social psychology that predicts commitment and persistence across many types of relationships (e.g., romantic relationships, friendships, and relationships in organizational settings) with variables including, level of satisfaction, the quality of attractive alternatives, and the investment size (i.e., the magnitude and importance of the resources invested in a relationship).

As a result of the lack of empirical research on customers’ commitment level in the firm’s offering, service managers are less informed in the application of service marketing and operations strategies capable of reinforcing customers’ commitment levels (Rusbult 1980a). These gaps in the literature underscore the impetus for this study. The objective of this paper is to contribute to the body of research by operationalizing and empirically testing variables of the IM on customer commitment. Following Bendapudi and Berry (1997), this study relies on the dedication-based relationship framework that scholars have neglected, unlike the constraint-based relationship, as the basis for customer willingness to maintain relationships with firms in the service sector (Mitrega and Katrichis, 2010; Varki and Wong, 2003). In the dedication-based relationship, customers play a dynamic role in establishing and maintaining a commitment in a business-to-customer relationship environment (Boakye et al. 2012). In addition, this paper leans on the investment model put forward by Rusbult (1980a, 1980b) to investigate and predict customer commitment towards maintaining a relationship with the firm’s offerings. This study is expected to provide two main contributions to service marketing and service management literature:

1. identify and examine the relationships among variables of the investment model and customer commitment towards a firm’s offerings in the service sector; and
2. empirically explore, within the service sector, a comparison of customer commitment brought to bear in the ownership of a tangible offering (a car) purchased in a service environment and an intangible offering (i.e., an apartment).

2. THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

Historically, numerous studies have focused on transactional factors that lead to long-term customer commitment (Lado et al., 2013; Boxer and Rekettje 2011) with a few focusing on the relational perspective (Valsamakis and Sprague, 2001; Morgan and Hunt 1994). For the most part, relationships are dependent on individual motivations; constraint-based and dedication-based relationship maintenance. These are the two relationship maintenance models customers base their motivations on to maintain relationships with a firm’s offering (Gilliland and Bello 2002). While the motivation of customers in the constraint-based relationship is to reduce the perceived risk of switching firms after analyzing their probable gains and losses, customers in the dedication-based relationship group are motivated by their “inner desire” to continue the relationship with the firm’s offering.

Research on constraint-based relationships asserts that firms become partners with other firms who control essential resources upon which they rely and depend (Tsiros et al., 2009; To and Li 2005). While a growing number of research studies have been devoted to investigating commitment from a firm level (Tsirous et al., 2009; Farrell and Rusbult, 1981), there is a paucity of research that investigates commitment from the customer’s perspective. However, because this study’s motivation is on the desire of customers to maintain their relationships with a firm’s offering, we rely on the dedication-based relationship perspective. Adopting the Investment Model (Rusbult 1980a; 1980b) as our theoretical foundation, we examine how constructs of the IM influence customers’ commitment to a relationship with a firm’s offering. We also explore the differences in the relationships between a tangible offering purchased from a service firm and an intangible offering. Our decision stems from adherence to Metcalf et al.’s (1992) recommendation about the suitability of the Investment Model in understanding relationships with customers and calls by Jääskeläinen et al. (2014) for more research to be conducted in defining the roles that customers play in defining and designing performance criteria.

The Investment Model (IM) (Rusbult, 1980a; 1980b) is built upon a theory in social psychology that predicts commitment and persistence across many types of relationships (e.g., romantic relationships, friendships, and relationships in organizational settings). The model states that an individual’s commitment to a relationship is dependent upon the level of satisfaction derived, the quality of attractive alternatives to the relationship, and the investment size (i.e., the magnitude and importance of the resources invested in a relationship) (Rusbult, 1980a; 1980b). As a result of the wide range of tangible and intangible offerings available, the car ownership and apartment service consumption markets offer a fertile ground for studying the stochastic process of commitment to firm offerings because of the stark differences between these offerings and the challenges facing these domains in the US marketplace (Dynan,
2009; McCloud and Dwyer, 2011). We propose investment size, satisfaction, and quality of alternatives as key determinants of customer commitment to a firm’s offering.

![Conceptual Research Framework](image)

**Figure 1: Conceptual Research Framework**

### 2.1 Commitment

Commitment is a fundamental concept in both the service management and relationship marketing literature, which is associated with the intention to maintain relationships and/or pursue goals over the long term (Wetzels et al., 1998; Morgan and Hunt, 1994). Rusbult, defines commitment as “the tendency to maintain a relationship and to feel psychologically “attached” to it.” (Rusbult, 1983, p. 102). This definition encompasses the dedication-based relationship, and considers customers as active players in these relationships. Commitment captures a customer’s pride in owning an offering, his/her concern for long-term success of the relationship and a desire to relate as friends of the firm (Morgan and Hunt, 1994). Moorman et al., (1992) conceptualize commitment as an enduring desire and willingness to work at maintaining relationship. Consistent with this theoretical foundation we base our study on the customer’s desire and willingness to ensure the maintenance of a relationship with the firm’s offering.

### 2.2 Satisfaction

Satisfaction has received examination in several fields including marketing, organizational behavior, tourism, business settings, and education (Ping 1993; Li and Petrick, 2008). An individual’s satisfaction towards previous firm interactions influences the commitment level. It is important to realize that an individual is only satisfied with the relationship with a firm when outcomes from the relationship surpass what he/she considers acceptable. Customer satisfaction is defined as a customer's overall evaluation of the performance of an offering to date (Johnson and Fornell, 1991). The present study focuses on the customer’s overall satisfaction with the relationship formed with the firm’s offering. Scholars posit that a satisfied customer is also a committed customer (Szymanski and Henard, 2001; Aurier and N’Goala, 2010). In instances where customers are satisfied they tend to develop an affiliation with the firm’s offering (Bolton, 1998). Therefore, we propose the following hypothesis:

**Hypothesis 1:** A customer’s satisfaction level is positively associated with his/her commitment to maintaining a relationship with a firm’s offering.

### 2.3 Investment Size

Rusbult (1980a) conceptualized investment size to include resources such as time, emotional involvement, and money that are invested directly or indirectly into a relationship. We define investment size as resources (tangible or intangible) that an individual brings into a relationship. Investments may include intrinsic values (time, self-disclosure, effort, etc.) and extrinsic values (mutual friends, social status, property, etc.). These resources are lost or diminished when the relationship terminates or dissolves. Individuals maintain relationship because of the amount of resources invested in the relationship. Customers, satisfied with their relationships with a firm’s offering, tend to increase their investment towards that offering (Altman and Taylor, 1973). Also, individuals may keep their current relationship with a firm’s offering in spite of terrible experiences (Rusbult, 1980a). A satisfied customer invests a range of resources such as time, effort, emotional involvement, and self-disclosure in maintaining the relationship because he/she trusts the firm, and knows what to expect from the investment in the relationship.
Hypothesis 2: A customer’s investment in maintaining a relationship with a firm’s offering is positively associated with (a) commitment level to the firm’s offerings and (b) satisfaction level with the firm’s offering.

2.4 Quality of Alternatives

Alternatives are referred to in management and marketing literature by a variety of terms including: perceived attractiveness of alternatives (Colgate and Lang, 2001; White and Yanamandram, 2007) and competitive price perceptions (Varki and Colgate, 2001). Consistent with prior research we conceptualize quality of attractive alternatives as any arrangement that differs from the status quo. In fact, customers base their decision to commit to maintaining a relationship with a firm’s offering not only on their satisfaction with the offering but also on their relative satisfaction (Kumar, 2002). Customer commitment to maintaining a relationship with a firm’s offering is weak when there are many attractive alternatives. However, customers have a strong desire to maintain the relationship when there are a limited number of attractive alternatives to what the firm currently offers. As a result, customers maintain their relationship with a firm’s offering because they have a limited number of attractive alternatives to what is currently offered rather than being fully satisfied in the firm’s offering. We hypothesize that:

Hypothesis 3: A customer’s commitment level to maintaining a relationship with a firm’s offering is high when there are less quality attractive alternatives available.

3. Methodology

A paper-based survey was used to collect data from college students in a large public university in southwestern United States. The current instrument is based on validated scales that measure the constructs: customer satisfaction (Spreng et al., 1996); investment size (Iwasaki and Havitz, 2004); quality of alternatives (Rusblt et al., 1998), and commitment (Li and Petrick, 2008). These scales were measured with a 7-point Likert scale items ranging from Strongly Agree to Strongly Disagree. Examples of items include: “I feel satisfied with where I live”; “I have invested a great deal of money in where I live”; “Compared to my current apartment, other possible places are attractive to me”; and “It is unlikely I will live elsewhere within the next year”. With 110 students successfully completing the car survey, and 111 students also completing the apartment rental survey, we had a total of 221 usable responses. Although there exists some concern about the use of college students as surrogate customers and the validity and generalizability of college student samples, students are deemed appropriate for this study. As Mook (1983, p.384) states, “representativeness of sample is of vital importance for certain purposes, such as survey research. Moreover, Peterson and Merunka (2013) claim that despite some widespread concerns about college student samples for theory testing, not a single study has offered convincing empirical evidence regarding the negative consequences for research conclusions drawn from them. Males constituted a small majority of the sample for both apartment rentals (55.0%) and cars (54.5%). The dominant age group in both study settings was the 18-25 age group (i.e., 73.9% in apartment rental and 72.7% in car). This was followed by the 26-32 age group with the lowest number of respondents in the older (40 years and above) age group (see Table 1). Further, most of the respondents were Caucasian, followed by Hispanics, Black/African American, and Asian in that order.

4. Results

We determined the adequacy of the measurement model examining construct validity and internal consistency (Hulland, 1999). Using PLS-SEM (Ringle et al., 2005), we assessed each construct’s convergent and discriminant validity using the Fornell and Lacker (1981) criterion. We found constructs to have convergent validity as items significantly loaded on their respective constructs, exceeding the 0.7 threshold (Anderson et al., 1987). In addition, we found constructs’ average variance extracted (AVE) to be at least 0.5, indicating the presence of discriminant validity. Internal consistency was assessed using composite reliability. The composite reliabilities of each construct exceeded the 0.70 cut-off point (Fornell and Larcker, 1981). Table 1 shows results of internal consistency and construct validity. Analysis of the path coefficients in the structural model (combined sample) shows that the exogenous construct ‘quality of alternatives’ is the main driver of commitment (β = -0.397), supporting hypothesis 3. The next driver of commitment besides quality of alternatives is satisfaction, providing a path coefficient: β = 0.268. This result also confirmed support for hypothesis H1. While quality of alternatives and satisfaction showed significant association with commitment, our results suggests that investment size (β = 0.074) did not exert any significant influence on commitment. Hence, the positive association between investment size and commitment, hypothesis H2a, is not supported. Though investment size did not exert any direct influence on commitment, interestingly, we found it to indirectly exert its influence on commitment via satisfaction. The positive association between investment size and satisfaction gives support for hypothesis H2b.

To explore potential offering type differences in our model, we conducted multi-group PLS analysis using two sub-samples. Since the data of 221 respondents can be divided into tangible (car possession) and intangible (apartment rental) offerings, we conducted pair-wise t-tests that tested the differences between the path coefficients in the two
groups (Sarstedt et al., 2011). In our analysis, we found significant difference in commitment between the two sub-
samples with respect to quality of alternatives. That is, the effect of quality of alternatives showed a significant
difference in its relationship with commitment for the two sub-samples as evident in Table 2. While we found quality of
alternatives to be significant in the models of the overall sample and the apartment rental sub-sample, quality of
alternatives was not significant in the car possession sub-sample. Besides, we did not find any significant differences in
the other relationships for both sub-samples (see Table 2). It is also interesting to know that while the impact of
investment size on satisfaction is significantly larger in the apartment rental sub-sample than in the car possession sub-
sample; there was not any significant difference in this relationship across the two sub-samples.
**Table 1.** Measurement Validity and Reliability.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Item</th>
<th>Loadings</th>
<th>t-Value</th>
<th>CR</th>
<th>AVE</th>
<th>Item</th>
<th>Loadings</th>
<th>t-Value</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Car purchased in a car showroom</strong></td>
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</tr>
<tr>
<td>SAT1</td>
<td>0.85</td>
<td>20.95</td>
<td>0.92</td>
<td>0.75</td>
<td></td>
<td>SAT1</td>
<td>0.89</td>
<td>41.79</td>
<td>0.93</td>
<td>0.76</td>
</tr>
<tr>
<td>SAT2</td>
<td>0.91</td>
<td>36.26</td>
<td></td>
<td></td>
<td></td>
<td>SAT2</td>
<td>0.87</td>
<td>26.47</td>
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<tr>
<td>SAT3</td>
<td>0.89</td>
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<td></td>
<td>SAT3</td>
<td>0.89</td>
<td>37.16</td>
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<tr>
<td>SAT4</td>
<td>0.81</td>
<td>14.29</td>
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<td></td>
<td>SAT4</td>
<td>0.83</td>
<td>18.87</td>
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<tr>
<td><strong>Investment Size</strong></td>
<td></td>
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<tr>
<td>INV1</td>
<td>0.87</td>
<td>20.85</td>
<td>0.91</td>
<td>0.77</td>
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<td>0.86</td>
<td>25.98</td>
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<tr>
<td>INV2</td>
<td>0.88</td>
<td>27.40</td>
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<td></td>
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<td>INV2</td>
<td>0.76</td>
<td>12.17</td>
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<tr>
<td>INV3</td>
<td>0.88</td>
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<td></td>
<td></td>
<td></td>
<td>INV3</td>
<td>0.90</td>
<td>35.91</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Quality of Alternatives</strong></td>
<td></td>
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<tr>
<td>QA1</td>
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<td>0.92</td>
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<td>QA1</td>
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<td>49.35</td>
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<td>QA2</td>
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<td></td>
<td></td>
<td>QA2</td>
<td>0.96</td>
<td>62.57</td>
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<td></td>
</tr>
<tr>
<td><strong>Commitment</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>COM1</td>
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<td>COM2</td>
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</tr>
<tr>
<td>COM3</td>
<td>0.90</td>
<td>24.40</td>
<td></td>
<td></td>
<td></td>
<td>COM3</td>
<td>0.86</td>
<td>22.81</td>
<td></td>
<td></td>
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</table>
Table 2. Path coefficients in all subgroup models.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Global Path estimate</th>
<th>Car purchased in a car showroom Path estimate</th>
<th>Apartment Rentals Path estimate</th>
<th>Path estimate</th>
<th>t value</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: SAT → COM</td>
<td>0.268</td>
<td>0.375</td>
<td>0.199</td>
<td>0.176</td>
<td>1.201</td>
</tr>
<tr>
<td>H2a: INV → COM</td>
<td>0.074</td>
<td>0.283</td>
<td>0.221</td>
<td>0.062</td>
<td>0.413</td>
</tr>
<tr>
<td>H2b: INV → SAT</td>
<td>0.454</td>
<td>0.403</td>
<td>0.543</td>
<td>0.140</td>
<td>1.116</td>
</tr>
<tr>
<td>H3: QA → COM</td>
<td>-0.397</td>
<td>-0.086</td>
<td>-0.360</td>
<td>0.274</td>
<td>2.068</td>
</tr>
</tbody>
</table>

5. Conclusion

Customer commitment has and continues to receive growing interest from scholars and practitioners alike (Wallenburg et al., 2011). Organizations are keen to align their service operations with customer demand-driven services in anticipation of gaining loyal and committed customers to their offerings. Unfortunately, the examination of the differences in customer commitment to tangible and intangible offerings from organizations is still an under-researched area (Bruhn and Grund, 2000). This study set out to examine why customers commit to and maintain relationship with an organization’s offerings (tangible and intangible offerings) by operationalizing the Investment Model. Specifically, we find support for the Investment Model and show how useful it is in predicting customer commitment towards relationship maintenance in the car and apartment rental domains.

An important contribution from this study is that it examines and shows the similarities between customers’ commitment for tangible and intangible offerings with the exception of perception of quality alternatives. The findings show that customers perceive themselves to be attached in their relationship with their car possessions. Thus, a customer’s relational commitment increases when he/she becomes satisfied with the car’s performance. That is not to suggest the other variables (investment size and quality of alternatives) are not important. On the other hand, customer commitment to relationship maintenance in the apartment rental sector is greater as the amount of resources invested by the customer increases. The customer seeks to achieve the best possible value for his/her investment since the amount of resources invested in renting an apartment is perceived to be high. A customer’s goal is to maximize returns on his/her investment. Therefore, a customer will only invest his limited resources in an apartment complex that either meets or exceeds his/her expectations. Likewise, we found quality of alternatives to be significant and negatively associated with the commitment of the customer towards relationship maintenance with a firm’s offering, as hypothesized. It is also interesting to note that this relationship is more prevalent in the apartment rentals sub-sample than in the car possession sub-sample. Since an apartment rental is an example of a competitive market, there are many options (alternatives) with lesser prices (costs) on the market that individuals can easily possess without difficulty unlike possessing an alternative car. It is important to note that with many organization selling competing offerings in a competitive marketplace, customers are prone to switch or opt for other organization’s offering should their relationship with the current organization’s offering not meet their expectation or satisfaction.

This research offers useful insights for marketing and operation managers. The study provides them with descriptions of the basic “building blocks” in the form of discussion of the results for enhancing customer commitment for an organization’s offering. Results from this study show customers’ high dedication to commit to maintaining a relationship with an organization’s offerings – both tangible and intangible. Organizations should provide quality offerings to win the commitment of their customers. Given that the findings provide support for all hypothesized relationships, it demonstrates the importance for customer commitment and the maintenance of relationship with organizations’ offerings. Since the findings presented in this study are not “normative” but rather based on theory operationalization, managers must remain mindful of service operations that are likely to change customer buying/purchasing needs. To that end, this research suggests that managers in all domains (tangible and intangible) invest in building relationships with customers (Vargo and Lusch, 2004; Merz et al., 2009). In addition, these relationships should focus on the long term since the deliberation of operation and marketing strategies create value that ultimately underpins customer commitment.

Managers may pursue these activities in marketing communications that reflect in one way or another the location, situations, castings, lighting, style, décor, tone and words and phrases used in each commercial on television and radio and print advertisements or promotions. Not only should organizations improve customer commitment and relationships as a key performance indicator, but they should also invest in maintaining relationships with their customers through frequent contact and by protecting customers’ best interests. This makes the organization’s offerings difficult to copy by competing organizations, resulting in growth in both market share and profitability.
References


Examining the decoy effect in brand positioning

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Abstract: Despite wide agreement regarding the importance of the long-term positioning of a brand, extant positioning literature has focused primarily on positioning activities to establish the positions of new offerings, and re-position existing offerings to new target markets. An extensive review of the literature fails to identify positioning activities devoted to strengthening the already-established positions of offerings over time. The aim of the present study is to empirically examine positioning strategies to strengthen the perception of the position of an existing offering in the minds of targeted consumers. The decoy effect provides an appropriate conceptual framework for the study. This framework is tested within an experimental research design using data collected from a sample of adult UK consumers. Results indicate that the introduction of a new offering (i.e., a decoy), positioned similar yet inferior to the focal offering of a firm, enhances the perceived position of the focal offering. To managers, a novel and empirically-sound strategy is hereby presented to enhance the position of existing offerings amidst the inevitable introduction of new competitive entrants in today’s dynamic marketplace. To theory, the study provides a theoretical understanding into the cognitive processes underlying brand positioning in consumers’ minds.

Keywords: brand positioning, positioning strategy, decoy effect

1. INTRODUCTION AND BACKGROUND OF STUDY

Because both marketing scholars (e.g., Porter, 1996; Hooley, Nicoulaudal, and Piercy, 2011) and practitioners (e.g., Ries and Trout, 2001; Trout and Revkin, 2008) agree that a firm’s long-term competitive advantage is partly determined by the extent to which the firm’s brand(s) and offerings are perceived to be distinct from competitors’, brand positioning has become an essential component of modern marketing management (Hooley and Greenley, 2005). Through positioning, the firm attempts to capture a unique place, i.e., a position, for its brand in the minds of targeted consumers (Ries and Trout, 2001). A well-positioned brand is regarded as one that clearly differentiates its offering from others in the marketplace (Kotler, 2003; Kapferer, 2012).

An extensive review of the literature uncovers a wealth of research on positioning strategies and typologies (e.g., Blankson and Kalafatis, 2004; Fuchs and Diamantopoulos, 2010). These strategies focus primarily on establishing positions of new offerings, and the re-positioning of existing offerings to new target markets. The success of a brand warrants a firm’s deliberate continuous efforts to strengthen its position, as established, rather than succumbing to threats of new competitors or retreating to re-positioning its offering to alternative markets. Such a proactive approach to positioning is often advocated by scholars (e.g., Arnott, 1993; Blankson and Kalafatis, 2004), however not manifested in the extant literature on positioning strategies. In light of the above discussion, the aim of the current study is to empirically investigate positioning strategies to strengthen the perception of the position of existing offerings in the minds of targeted consumers.
2. THEORETICAL BACKGROUND AND FRAMEWORK

Given the novelty of the research, a broader search of theories proved necessary to propose a logical sequence of procedures to underscore the strengthening of perceived brand positioning as theories applied in past positioning studies (e.g., signalling, and categorisation theory) proved limited in this respect. Hence, theories hereto being applied concern context effects, which explain the influence that contextual factors – such as weather conditions, consumer mood, inventory display, product names and content labels – have on preference and choice decisions (Meyers-Levy and Sternthal, 1993). In principle, context effects occur when an individual’s preference towards an object (i.e., the focal object) changes, not as a result of innate characteristics of the object itself, but as a result of changes made to the context surrounding the object, which, although external to the object, are present and affect its evaluation (Todorović, 2010).

Context effects are grouped into a number of categories based on the nature of the contextual factors and their impact on the focal object under consideration. Most widely studied in the literature include assimilation, contrast, compromise, and decoy effects (e.g., Levin and Levin, 2000; Ha, Park and Ahn, 2009; Bless and Schwarz, 2010). Following an extensive examination of related literature on these varying context effects, the decoy effect, which depicts context as a set of alternative within a consideration set, presents an appropriate framework on which to base the research undertaking.

The decoy effect, introduced in seminal works of Huber, Payne and Puto (1982), has been widely studied primarily within the domain of preference and choice decisions. It demonstrates that the choice likelihood of a focal offering increases, relative to others in a choice set, when a new alternative (i.e., a decoy) which is similar but inferior (i.e., asymmetrically dominated) to the focal offering is introduced to the set. To illustrate the decoy effect as it relates to brand positioning, consider the following scenario which is also graphically illustrated in Figure 1. Assume that a consumer encounters a consideration set comprising two brands (Brand F and Brand B) which are situated along a two-dimensional [positioning] attribute space: a feature-oriented attribute (Positioning attribute f, denoted, ‘PA_f’), and a benefit-oriented attribute (Positioning attribute b, denoted, ‘PA_b’). Assume also that these brands are competitively positioned, such that Brand F is superior on PA_f relative to Brand B, whereas Brand B is superior on PA_b relative to Brand F. According to the decoy effect, the introduction Brand F’, positioned asymmetrically-dominated by Brand F, is proposed to enhance perceived positioning of Brand F relative to its competitor Brand B.

![Figure 1, Conceptual framework](image-url)
Three theories explain the occurrence of decoy effects: value-shift, weight-change, and the emergent-value theory. First, value-shift theory asserts that the introduction of a decoy increases subjective evaluations of the [objective] values associated with the attributes on which the focal brand is positioned (Pettibone and Wedell, 2000). Second, weight-change theory assumes that introducing a decoy, increases the weighted importance of the attribute on which the focal offering is superior (Ariely and Wallsten, 1995). Third, emergent-value theory suggests that individuals adopt decision heuristics, such as choosing an easy-to-justify option, as a short-cut to reduce the cognitive demands involved in choosing among competing alternatives (Moran and Meyer, 2006).

The focus of the current research is restated in light of the practical and theoretical implications of the decoy effect discussed above. The purpose of the current study is twofold: first, to examine the extent to which the introduction of a new offering, positioned as a decoy (i.e., a decoy-positioned offering), enhances the perception of the position of the existing offering; and second, to test the explanatory powers of the theories in accounting for the occurrence of decoy effects within brand positioning. In line with the conceptual illustrated in Figure 1, the study is guided by a single underlying proposition: in a consideration set comprising a focal and competitor offering, introduction of a decoy that is asymmetrically-dominated by the focal offering will enhance perceived positioning of the focal offering - evidencing positioning-induced decoy effects.

3. METHODOLOGY

An experimental research design is adopted to empirically test the main proposition guiding the study. Good research practice, advocated by Tull and Hawkins (1994) and Field and Hole (2003), are adopted throughout the experiment. Adult (over 18) UK consumers are identified as the study population, and a representative sample of 400 participants is obtained from a list broker. Given its efficiency, an electronic self-completion questionnaire is used to collect data. Washing detergent is selected as an appropriate product category in which to conduct the research. This decision was determined on the basis of (i) the observation of past [separate] brand positioning and decoy effects studies to adopt the use of the product category, (ii) strong evidence of detergent brands to differentiate offerings based on an array of positioning attributes, as provided by a separate content analysis of print adverts conducted by the researcher, and (iii) the study population is considered well-acquainted with washing detergents (Kumar, 2005).

The design required the development of credible, realistic, and valid advertising stimuli to convey the positioning of the focal, competitor, and decoy offerings as depicted in Figure 1. These stimuli are developed using actual positioning information of existing brands; however, to avoid potential bias associated existing brand names, fictitious names are attributed to each of the brands. A pretest, using a convenience sample of postgraduate students enrolled on a marketing course (20 participants evaluating for each stimulus) served to verify that the position of the brands are perceived as intended. Moreover, in an effort to avoid potential confounding effects associated with conveying brand positioning using adverts (Perdue and Summers, 1986), each advert is designed identical in terms of layout, colour theme, font and graphical image of the featured brand. The adverts differed only with respect to the fictitious brand names and positioning information concerning the two positioning attributes (‘stain-removal’, PA_f; and ‘value-for-money’, PA_b). The latter is selected on finding these attributes among the most commonly employed by detergent brands, as revealed by the content analysis.

The presence (vs. absence) of the decoy positioned offering (Brand F'), represents the main independent treatment involved in the study. Applying this manipulation, presents two study conditions: one (control) condition where participants complete a version of the questionnaire comprising stimuli for the focal and competitor brands, and a second (decoy/experiment) condition where participants complete an identical version of the questionnaire comprising stimuli for the focal, competitor, and decoy brands. The main dependent variable, ‘perceived positioning’, is used to capture perceptions of the position of the focal offering (Fuchs and Diamantopoulos, 2010). As with the foregoing, other items included in the questionnaire are borrowed from established scales in the literature; a pretest (i.e., that mentioned above) confirms the psychometric properties of the multi-item scales.
Applying a between-subjects design, participants are randomly assigned to either the control or experimental condition. The full quota of 400 completed respondents is returned by the list broker, therefore presenting no concern for non-response bias (Oppenheim, 1992). However, 58 respondents are regarded unsuitable; these failed two data-quality checks deliberately incorporated in the questionnaire – a minimum completion timer, and an attention-filter question (Tourangeau, Rips, and Rasinski, 2000). The remaining 342 responses (162, control condition; 178, experiment condition) are statistically analysed using SPSS v22. The section below provides an overview of analysis and results.

4. ANALYSIS AND RESULTS

Analysis of covariance (ANCOVA) is considered an appropriate procedure to test the research proposition, as, using F-ratio, it enables the researcher to examine the effect of independent variables while statistically controlling the influence of confounding effects that are outside the interest of the research, i.e., covariates (Field and Hole, 2003). Prior to conducting ANCOVA, a series of preliminary procedures recommended by Field (2009, pg. 413-418), indicated that the data show adhere with the main assumptions of ANCOVA: independence of covariate and treatment effect, univariate homogeneity of error variance, and correlations among covariates. The remaining analyses are conducted in two stages: first, to test the impact of the introduction of the decoy-positioned offering on perceived position of the focal brand; and second, to test the explanatory powers of the three decoy theories. Within separate ANCOVAs, items corresponding to the underlying factors of perceived positioning (i.e., favourability, differentiation, uniqueness, and credibility) are modelled as dependent variables, and the experimental treatment (i.e., control and F’Decoy groups) as a fixed factor. A pilot study indicated that the extent to which a [positioning] attribute is considered important (i.e., perceived attribute importance) influenced participant’s evaluations of the focal brand. To statistically account for the influence of this attribute, the decision is taken to model attribute importance (categorise into three groups: ‘PA-f-Importance’ [denoting participants considering the PA_f relatively more important than PA_b], ‘PA-b-Importance,’ and ‘Indifferent’ groups) as a fixed factor in ANCOVA. Additionally, category knowledge and involvement, and time spent are incorporated as covariates. The results of ANCOVA are summarised in Table 1.

<table>
<thead>
<tr>
<th>Main and interaction effects:</th>
<th>Perceived positioning (p value, effect size partial eta $\eta^2$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>F’Decoy treatment</td>
<td>Favourability</td>
</tr>
<tr>
<td>Attribute-focus</td>
<td>.761** (.000)</td>
</tr>
<tr>
<td>F’Decoy x attribute-focus</td>
<td>.878** (.001)</td>
</tr>
<tr>
<td>Study conditions</td>
<td>Estimated mean values</td>
</tr>
<tr>
<td>Control condition</td>
<td>5.43</td>
</tr>
<tr>
<td>F’Decoy condition</td>
<td>5.34</td>
</tr>
</tbody>
</table>

*p < .01; **p < .05; ***p < .001; *m = not significant.

The information in Table 1 shows that introduction of F’Decoy has significant main effects for two of the four positioning dimensions: differentiation ($F[1, 321] = 4.32, p = .038, \eta^2 = .013$) and credibility ($F[1, 327] = 3.68, p = .033, \eta^2 = .014$) with corresponding mean values in the direction predicted by the study, higher in the F’Decoy condition ($M_{\text{differentiation}} = 7.40, M_{\text{credibility}} = 7.38$) than in the control ($M_{\text{differentiation}} = 7.34, M_{\text{credibility}} = 7.01$). Regarding attribute importance, the table show significant main effects for three of the four positioning factors: favourability ($F[2, 331] = 56.80, p = .000, \eta^2 = .256$), uniqueness ($F[2, 307] = 3.55, p = .030, \eta^2 = .023$) and credibility ($F[2, 317] = 5.66, p = .004, \eta^2 = .034$). Subsequent post hoc analysis, using Sidak Corrections (Field, 2009), reveals that participants categorised as ‘PA_f-Importance’ reported significantly higher mean ratings for favourability, uniqueness, and credibility, compared to participants within the PA_b-Importance and Indifferent participants groups. ANCOVA reveals significant interaction effects between [introduction of] F’Decoy and attribute-importance (decoy x attribute-importance) for differentiation ($F = [2, 318], p = .005, \eta^2 = .031$) and uniqueness ($F = [2, 307], p = .062, \eta^2 = .031$). More specifically, for differentiation, the introduction of F’Decoy results in a substantive increase in mean ratings among PA_f-Importance and PA_b-Importance groups, while a considerable decrease for the Indifferent participants. For uniqueness, the introduction of F’Decoy results in a substantive increase in mean ratings for only the PA_f-Importance group, with little or no change in the other
As evidence of positioning-induced decoy effects are found, and the study proceeds to test the three decoy theories. The data are subjected ANCOVA; the variables that correspond to the respective theories are modelled as dependent variables – value-shift theory (perceived-association with PA_f, PA_b, and Summed PA_f + PA_b), weight-change (perceived attribute importance of PA_f), and emergent value theory (ease-of-justification). Essentially, with respect to the related variables, significantly higher mean values in the decoy condition will indicate evidence of the corresponding theory to explain positioning-induced decoy effects.

With respect to value-shift theory, ANCOVA revealed significant main effects of introducing the F’Decoy across the three value-shift measures: pivotal benefit ($F[1, 333] = 3.52, p = .095, \eta^2 = .008$), non-pivotal benefit ($F[1, 333] = 3.52, p = .000, \eta^2 = .038$) and summed-score of the positioning attributes ($F[1, 333] = 3.52, p = .048, \eta^2 = .012$), with corresponding mean values in the predicted direction (higher in the F’Decoy condition than in the control condition. Similarly, regarding the weight-change theory, significant main effects for found for perceived attribute importance ($F[1, 140] = 32.65, p = .000, \eta^2 = .189$). Finally, for emergent-value theory, significant main effects are obtained for ease-of-justification ($F[1, 136] = 7.74, p = .000, \eta^2 = .102$).

5. DISCUSSION AND CONCLUSION

To the best knowledge of the researchers, this is the first theoretically-grounded effort to examine positioning strategies to strengthen and enhance the perception of the position of existing offerings in the minds of targeted consumers. In this respect, the findings and the discussion presented below offer a new and novel insight into the positioning of existing offerings amidst the competitive realities of today’s dynamic marketplace. Main effects of ANCOVA indicate that introducing a decoy-positioned offering enhances consumer perceptions regarding the differentiation and credibility of the position of a focal brand. Significant interaction effects are reported for perceived differentiation and uniqueness of the focal brand, suggesting that the impact of the decoy in this respect varies with perceived importance of the positioning attributes. In particular, consumers who consider the focal brand’s main positioning attribute as important, perceive the focal brand as more unique and differentiated on the introduction of the decoy as compared to other consumer groups. Normative approach to positioning warrants modifying the tangible and intangible attributes of an offering (Arnott, 1993); for existing offerings, this approach presents the risk of confusing their [already-established] positions in consumers’ minds. As demonstrated by the above results, enhancing perceived positioning is accomplished without making changes to the physical attributes of the an offering.

Moreover, three theories explaining decoy effects demonstrate explanatory powers with respect to brand positioning. Specifically, the introduction of the decoy-positioned offering strengthens the degree with which the focal brand’s perceived associated with its positioning attributes (value-shift), enhances the weighted importance of focal brand’s positioning attribute (weight-change), and eases justifying preference for the focal brand over competing alternatives (emergent-value). The study this provides a theoretical understanding into the cognitive processes underlying brand positioning in consumers’ minds. The study is not without limitations, including, examining the impact of only a feature-oriented decoy, and testing one type of decoy studied in the related literature. The next phase of the research attempts to test the stability of positioning-induced decoy effects within different decoy and positioning contexts.
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Food metaphor in advertisings of non-food brands: An exploratory examination

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Abstract

In a market context where advertisements are omnipresent in everyday life, capturing consumers’ attention has become a real challenge for brands. Receptivity to claims and offers depends heavily on the degree to which brand communication is creative and relevant. The usage of metaphors in ads is one of the communication techniques adopted by brands to reach that objective. In the recent years, the phenomenon of using food metaphor in ads of non-food brands arises and starts to be widely diffused all over the world. The current research aims at understanding if and how consumers perceive and react to such communication approach. An exploratory qualitative study is conducted through semi-structured and projective interviews among 40 individuals. The study focuses on two different types of ads using food metaphor. Results reveal the process and attitudinal consequences related to the usage of food metaphor in ads at the consumer level.

Keywords: food metaphor, advertising, non-food brands

INTRODUCTION

The challenge for brands in current globalized and digitized world is not only about building awareness but also generating preference. In a market context where advertisements are omnipresent in consumers’ life through different channels and at different moments of the day, communication strategies seem decisive. For example, the recent surveys ‘’AdReaction’’ conducted by MillwardBrown in 2014 and ‘’The who, what and when for marketers’’ led by InMobi in 2013, emphasize the growing importance of multiscreening phenomenon at the international level. Consumer attention becomes a precious asset for brands to ensure a better receptivity to their claims concerning their products or services. For this reason, creative advertisers use different communication languages and techniques including or combining text and pictures to design impactful ads. Thus, the usage of metaphors in ads allows conveying brand messages in a more attractive manner without directly mentioning the real selling proposition, enhancing consumers’ responses (McQuarrie and Mick 1996).

In addition, current economic gloom leads brands to adapt by looking for new paths to growth and adopt innovative approaches in communication to boost consumption. On the consumer side, the economic sluggishness leads food to be seen as one of the most important expense items within consumers’ purchase consideration and decision. While it’s logical from consumers’ perspective to spend mainly or more in food in such economic context, many non-food brands have started recently using food imagery for communicating on their non-food products or services.

This phenomenon arises through many print ads all over the world, from Jaguar (Canadian campaign in 2014) or 2011 worldwide British Airways advertising campaign (with the candy can), to Bourjois make-up campaigns in France in 2012 to Isover campaign in France in 2013. In such print ads, food pictures seem to be used as visual metaphors to attract consumers, while sometimes the association between (1) the picture, (2) the brand and related product-category, and (3) the headline is not so coherent and obvious. Prior research has showed that better recall occurs when ads provide pictures and verbal claim which show discrepant information (Unnava and Burnkrant 1991). But to our knowledge, no research has examined the impact of such advertising execution with food imagery associated to non-food brands on consumers’ reactions.

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2http://www.millwardbrown.com/adreaction/2014
4ISOVER is the world leading supplier of sustainable insulation solutions.
Therefore, the objective of this research is a first step to explore consumers’ reactions to food metaphor in advertising of non-food brands, and specifically understand (1) whether and how the food metaphor is perceived and processed by consumers, and (2) possible outcomes on consumer attitudes toward the advertising and toward the brand.

The following part provides the theoretical framework that serves as a foundation of this research. It covers two main areas: metaphor usage in advertising, and food relationship with emotions and its usage in advertising.

THEORETICAL BACKGROUND

Metaphor in brand advertising

As an anthropological aspect, metaphor represents something widely diffused and consciously or unconsciously used by consumers in their everyday life and communication. Metaphor is defined as “understanding and experiencing one kind of things in terms of another” (Lakoff and Johnson 1980: p.5) and it’s also “primarily a matter of thought and action and only derivatively a matter of language” (Lakoff and Johnson 1980: p.5). As metaphor is related to thought, it’s then not only conveyed by language but also perceived at different sensorial levels such as sound (music), sight (pictures, gestures), touch (evoking textures) or smell (olfactory symbolism). As far as brand communication is concerned, metaphors have been used since many decades to promote products and strengthen the reason to believe in the brand promise (McQuarrie and Mick 1996). Ads effectiveness depends heavily, in such cases, on the degree to which the metaphor is perceived by consumers as intelligible, smart and successful. Research has shown that using metaphors in advertising can be advantageous: it elicits more cognitive elaboration (Kardes, 1988), leads to favorable attitudes (McQuarrie and Mick 1999), and injects novelty, thus increasing motivation to read and process the ad (Goodstein 1993). That being said, metaphors in ads can be verbal and/or nonverbal. According to Forceville, “metaphor can occur in pictures, more specifically in printed advertisements and billboards” (Forceville 1998: p.1) and usually these pictorial metaphors are more effective and impactful for catching attention than the verbal ones. Consequently, advertising impact will depend not only on texts or slogan but also static or moving pictures. The mix and magnitude involving wording and image in ads will differ from a brand to another depending on selling proposition and interpretation frame aimed at the consumer level. In terms of objectives, nonverbal stimuli are generally mobilized to convey the message, strengthen some ad’s arguments or illustrate the verbal mention.

In their paper, Edell and Staelin (1983) studied the impact of dominant picture presence in a print ad on consumer’s cognitive response. The results indicated that information processing by the consumer is significantly influenced by (1) the way the message is conveyed (pictures or verbs), (2) the existence of a point of reference to encode the picture, and (3) the type of claim presented (objective, subjective, or characterization). Also, the research led by Unnava and Burnkrant (1991) showed that better and positive recall occurred when ads provide verbal claims and pictures that show discrepant information. More recently, Ang and Ching Lim (2006) confirmed that pictorial metaphors elicit more favorable attitude toward the ad and purchase intention than metaphoric headlines. Moreover, they revealed that when the picture is metaphoric, there is no difference in attitudes and purchase intention between a metaphoric headline and a nonmetaphoric headline. Yet, no research has investigated so far the specific influence of food pictorial metaphor in advertising.

Food, consumer emotions and advertising

From a semiotic point of view, food seems to be a multidimensional concept. In other words, in individuals’ mental representation and connection, food is something that goes widely beyond the simple nutrition function. Some previous works found for example that food intake is related to consumers’ affective states (Arnow, Kenardy, & Agras, 1995; Macht, 2008). Also, food can be associated to many escaping or compulsive behaviors. Individuals engage sometimes in eating to forget reality or in reaction to negative emotions like anxiety, sadness, stress, fatigue, etc. (O’Connor, Jones, Conner, McMillan, & Ferguson, 2008; Schachter, Goldman, & Gordon, 1968; Wallis & Hetherington, 2009). Other studies confirmed the connection between positive emotions and high appetite levels of individuals (Mehrabian & Riccioni, 1986). Also the study of Rozin and Tuorila (1993) emphasizes the instrumental role of food as self-rewarding factor. Finally, other works found that the consumption of some hedonic foods (like chocolate or popcorn) was influenced by individuals’ emotional states and mood (Cools, Schotte, & McNally, 1992; Macht, Roth, & Ellgring, 2002). Thus, as a stimulus, food perception and intake seem to heavily depend on emotions and other situational factors, which will together determine a preference structure in terms of food type.
As far as food advertisement is concerned, Moore and Konrath (2014) examined the impact of individual differences in affect intensity on people's responses to food advertisements. After different studies, they identified three mediators: emotional memories, weak impulse control, and the intensity of pleasure anticipation. According to authors, these mediators contribute indirectly to the relationship between affect intensity to food desires and consumption outcomes. Also, their findings emphasized two moderators of the relationship between affect intensity and consumption-related consequences, i.e., vividness of advertisement and dieting status of participants. For example, results showed that high affect intensity consumers reported stronger food cravings only in response to vivid advertising appeals. Also, they found that, individuals with high levels of positive affectivity, a sub-dimension of affect intensity, experienced increased salivation, but especially when they were dieters exposed to vivid food images.

In sum, these different studies show that food interest or intake could be either an antecedent or outcome of specific emotional states. However, while the connection between food and emotions is clearly supported, elaboration and consequences of food as a pictorial metaphor in non-food brands’ advertising remains underresearched.

METHODODOLOGY

To better understand if and how consumers process food metaphor in the ads of nonfood brands, an exploratory qualitative study is conducted among a sample of 40 consumers. Participants belong to different groups in terms of sex, age (18-30 years; 31-45; 46-60), education level and occupation. Data are collected through semi-structured interviews involving projective techniques after exposure to ads. On average, interviews last 1 hour.

The methodological design relies on exploring consumers reactions to real ads of nonfood brands with pictorial food metaphor. First, as the exploration of coherence between brand and food metaphor was crucial, it was more relevant to select real brands, well-known from consumers. Also, using real advertisements allowed building on richer and more creative food metaphors than those the co-authors could have designed themselves in developing fake ad. Hence, a search for print ads of nonfood brands with food metaphor over the last five years was conducted through internet and magazines, resulting in 30 potential ad candidates from various market segments (make-up, fashion, services, cars…).

Second, two ads were selected with the following criteria in mind: two different brands from similar segments and well-known from men and women, pictorial food metaphor central to the ad, but with a variation in the metaphoric association of the food (either hedonic or non-hedonic, based on prior literature). This resulted in the choice of the services segment, with A) SNCF\(^5\) print advert (food metaphor: ice cream – hedonic), and B) Orange\(^6\) print advert (food metaphor: cereals – non-hedonic). SNCF builds on ice-cream picture to promote their offer of pre-booking train tickets for the south of France, the picture resonating with the slogan “With TGV, it smells already like summer time”. Orange builds on a cereals picture to promote their powerful and complete offer of Livebox Zen, and requires more elaboration from the reader to connect the photo with the slogan “Recharge your batteries with super power for all day long”. Both advertisements are below (see Figure 1 and Figure 2). The analysis of used conceptual metaphors’ elements is provided in Table 1.

\(^5\)SNCF is the French national railway company.

\(^6\)Orange is a French telecommunications operator and one of the world’s leading companies on the market.
Figures 1 and 2: SNCF’s Ad (left) and Orange’ Ad (right)

<table>
<thead>
<tr>
<th>Table 1: Conceptual metaphor elements</th>
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<tbody>
<tr>
<td><strong>SNCF’s Ad</strong></td>
</tr>
<tr>
<td>Source domain</td>
</tr>
<tr>
<td>Ice cream cone</td>
</tr>
<tr>
<td>Target domain</td>
</tr>
<tr>
<td>Train tickets for the south of France</td>
</tr>
<tr>
<td>Mapping from source domain to target domain</td>
</tr>
<tr>
<td>Verbal context</td>
</tr>
<tr>
<td>“With TGV, it smells already like summer time”</td>
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</tbody>
</table>

Methodologically, it was important to expose participants to both ads, to understand their reactions to hedonic vs non-hedonic metaphor. To minimize order bias, half of the sample was exposed first to SNCF advert, then to Orange advert (and in reverse order for the other sample half).

The interview guide was organized by themes, from the general to the specific and pre-tested with some consumers. Exposed to the first advertising, informants were asked their (1) overall perception, (2) projective associations to the ad (unconscious responses and motives; and the way interviewees see the social world through the stories they build from submitted ads), and (3) their understanding of the ad. Then the guide focused on the coherence between the ad and the brand, the attitude toward the ad and toward the brand. Similar themes were explored on the second tested advertising. Finally participants were requested to explain their preference between both ads and both food visuals in how they are suited to convey the message. All interviews were recorded and transcribed. The collected material was analyzed using an iterative process (Spiggle, 1994), to assess metaphors’ comprehension and appreciation by developing thematic categories and identifying potential links between reactions and consumer profiles. Several themes emerged in the categories, deepened by an inter interviews analysis and compared between co-authors, to reach final agreement. At the time of this paper’s submission, we are about finalizing data analysis’ sharpening and formatting, we expect to end the process by the beginning of June and will be able to present the whole results at the conference in case of acceptance.

RESEARCH CONTRIBUTIONS

At the theoretical level, this research is one of the first to explore the effect of food metaphor usage in the advertising of nonfood brands. It represents a first attempt at understanding the phenomenon and the underlying cognitive processing at the consumer level. The adopted methodology helps to examine the effectiveness of such brand communication approach and reveal the mechanisms and complexity of the message processing.
Concerning the methodology, the interviewing process managed to associate semi-structured questioning with projective one to cover conscious and unconscious mental representations related to the examined ads. As far as managerial implications are concerned, this research helps to shed light on a growing phenomenon and examine its effectiveness. The results could also provide insights on (1) the key aspects that are likely to ensure ads persuasiveness through better attention catching and congruence, (2) the extent to which the usage of food appeal in such ads may influence consumers’ attitude between an emotional execution of the message with more favorable predisposition toward the ad and then more important intention to purchase or a greater focus on product attributes and brand promise.

This research is a first approach allowing for a better understanding of the usage of food metaphor. The set of used ads has been deliberately reduced to two brand communications to (1) simplify the procedure and required cognitive processing and (2) keep interviewees’ attention. However, the next step will consist of a quantitative experimental study using a wider set of ads based on qualitative findings indications and with different levels in terms of complexity, recognition distance and combination between food visual stimuli and verbal information.

References


You have the new iPhone?! customers’ perceptions of planned obsolescence

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Abstract
As competition increases and consumption dynamics evolve, many companies’ market strategies seem to focus on planned obsolescence as an opportunity. In that case, the pursued objective is to influence consumer needs for permanently purchasing the new offer as replacement solution. However, in a context of consumerism and consumer empowerment, such brands’ initiatives arouse many questions about consumers’ predisposition to continuously accept new offers especially when they feel manipulated or subconsciously pushed to buy upgrades they have not asked for or leave them facing incompatibility issues. The purpose of this research is to explore if and how customers perceive planned obsolescence and how this perception influences customer’s attitude and his or her relationship with the brand. An empirical study is conducted with data collected among a large representative sample in USA. The manipulation plan integrates some variables like replacing product’s added value, perceived brand fairness, brand loyalty and commitment, and intention to buy. Pre-test and initial results are analyzed and research contributions provided.

INTRODUCTION
In high competitive markets, brand strategies success hinges on their capacity of monitoring differentiation and keeping on customer value creation. To do so, many companies invest and focus on product innovation to face the challenge of growth sustainability by higher satisfaction and loyalty. However, companies’ innovation approach differs by sectors, competition, markets saturation, and response functions. Consequently, marketing strategic decisions related to innovation swap between product lifecycle and customer lifetime value. Innovation dynamics thus reveal companies reaction to uncertainty, the capability of identifying future opportunities, and anticipating consumers’ needs.

In his seminal work Howell (1962) recognizes that invention is related to discovery while innovation is about incorporating invention into a product or process. Conversely, some companies’ product and brand strategy includes planned obsolescence. Planned obsolescence induces consumers to buy the newest products by making them incompatible or partially compatible with the old version, reducing the value to consumers of previous versions. It thus differs from innovation and invention (Waldman 1993; Choi 1994; Ellison and Fudenberg 2000). The term planned obsolescence refers to the Great Depression when using artificial expiration dates on products was assumed to boost the economy by encouraging consumers to buy more or renew their products. However, in 1954 the industrial designer Brooks Steven who referred to “planned obsolescence” as “instilling in the buyer the desire to own something a little newer, a little better, a little sooner than is necessary.” That was before the phrase became associated with voluntarily rendering products becoming obsolete after a calculated and defined lifespan. This evolution marks the tradeoff in products’ lifecycles between old versions’ degrading and new versions’ promoting.

The planned obsolescence strategy most favorably appears in technology driven markets, such as software programs, computers, mobile phones, textbooks, bulbs, etc. By applying this strategy, companies’ main goal is to influence and reactivate consumer needs for purchasing the new offer as replacement solution. In other words, planned obsolescence or the customers’ notion of becoming unfashionable or the product is no longer usable is wanted and integrated in the product by companies since its conception.

PLANNED OBSOLESCENCE EXAMINATION: THEORETICAL FRAMEWORK
In theory, planned obsolescence has been examined from different perspectives: economic, strategic (Utaka 2000; Stewart 1959), and ecological/sustainable development (Guiltinan 2008). From the economic perspective, planned obsolescence was generally associated with the capitalist system. In this understanding, planned obsolescence refers to designing products with uneconomically short lives and the intention of pushing consumers to repurchase too frequently. Different econometric models were tested to examine planned obsolescence within specific market conditions and supply related on one hand to monopoly or market power and on the other hand to the scope of goods substitution opportunities for consumers. That was the case for example with light-bulb cartel in the early 20th century, which took sanctions against some companies for designing bulbs that lasted more than 1,000 hours.
For many authors, the wasteful and short durability of products is cost imposed by the durable goods monopolists in order to overcome the time consistency problem (Coase 1972; Bulow 1986; Olsen 1992; Gul, Sonnenschein and Wilson 1986). Conversely, Fishman, Gandal and Shy (1993) describe an alternative approach. They show that in competitive markets planned obsolescence may be a necessary condition for the ongoing technological progress. According to these authors a pattern of rapidly deteriorating products and fast innovation may be better than long-lasting products and slow innovations. However, previous studies in economics commonly suggest that the social welfare impact of planned obsolescence is questionable.

From a strategic perspective, managers’ perception, awareness, and approach of planned obsolescence have been found to be quite different depending on situations and market context. A study conducted by Stewart (1959) was one of the first initiatives to uncover executives’ opinions about the phenomenon, its practice, and their reaction to the growing criticism of planned obsolescence’s principles.

Some authors interpret planned obsolescence as nothing more than “planned innovation”, which indicates a simple marketing strategy applying usual positioning and market share objectives (Howell 1962). Stock and Zacharias (2013) examined customers’ responses to product innovation programs. They conducted a triadic survey among multi-industry sample with 180 cases from business-to-business companies, which includes assessments from marketing, research and development managers, and customers. Their results suggest a negative effect of product program newness on customer loyalty and a positive effect of product program meaningfulness. In addition, a brand’s close association with innovativeness reduces the negative effect of product newness and involving customers into the value-creating process fosters the loyalty effect of product meaningfulness.

Currently the phenomenon of planned obsolescence seems to be commonly applied. Planned obsolescence’s rise, however, induces many questions, criticisms, and calls for caution. In the recent context of consumerism and consumer empowerment, brands’ initiatives are increasingly analyzed, shared and considered in individual’s purchase decisions. While some brands keep on developing tastes for new products based sometimes on aesthetic rather than functional reasons to harvest more sales from existing customers, many consumers start complaining about such strategies. In fact, consumers seem to feel manipulated or subconsciously pushed to accept offers that either force them to buy upgrades they have not asked for, nor wanted, or leave them facing incompatibility issues. It seems that consumers’ attitudes towards products designed with limited lifespans may depend on their tastes and how informed they are. Does the promise of a longer lasting battery in a new mobile phone justify a higher price? Which degree of consumers’ loyalty will resist the switching costs? Will the desire to stay at the forefront of technology or to avoid “a social stigma” maintain a positive consumer’s attitude towards planned obsolescence and the brand?

The purpose of this research is to explore if and how customers perceive planned obsolescence and how this perception influences the customer-brand relationship. In addition, this research sheds light on planned obsolescence’s impact on customer’s buying decision. By describing the results of a multi-stage quantitative study, this study examines planned obsolescence cognitive processing from the customers’ perspective. Based on an experimental design, this research also explores the impact of this perception on customers’ behavior.

**METHODOLOGY**

Given the topic and the examined issues, this research is using experimental design to manipulate some variables related to planned obsolescence perception, related product categories and possible behavioral responses from customers. Different pre-test and studies are scheduled for operating the experimentation among a representative sample of customers in USA.

Depending on the pre-tests’ results, we manipulate customer related variables like perceived brand fairness, brand loyalty and commitment, and intention to buy. In addition we decompose customers’ perception of the replaced product’s added value and control for the product’s innovativeness.

The pretests show promising first indications. Not only have we been able to identify the most obsolescence-affected product category in the customers’ eye (smartphones), we have also been able to identify the smartphone brand with the highest level of product replacements from a customers’ perspective. In addition, a conjoint analysis on smartphone attributes currently available in the market results in the best and worst combination and forms an ideal smartphone. We will use this result in one of our studies to further examine the value of the product in a replacement cycle.

Furthermore the results of the pretests show that the time period between product replacements seems important in the smartphone setting. Contrary to our expectations, the shorter the replacement period, the higher the value of the offer seems to be. We will further dig into this in one of our next studies.

At the time of this paper’s submission, we are planning our next data collection and work on a much finer manipulation to further decompose the first findings. We expect to end the data collection process including the experiments in June 2015 and present first results at the conference.

**EXPECTED CONTRIBUTIONS**
By focusing on planned obsolescence, that is a still working product with declining utility and involvement of the customer, this study presents a mean for monitoring the product value in the customer’s eye. If the customers perceive the added value of the new product as big enough, the new version of the product will be a success. The customers’ buying decision reflects the product’s added value in form of a new function, application or design compared to the new version. As this paper focuses on the customer’s awareness of planned obsolescence, insights into planned obsolescence provide a tool for company’s value monitoring.

In addition, the customers’ final decision also gives hints on the loyalty of the focused customer group. In some situations, customers disregard the new and added value and buy the product out of their perceived loyalty to the company or the brand. This customer group does not care about any obsolescence cycles or new product attributes. As such, evaluation of attributes of a product changes once a new version of this product has been released. This paper thus underlines the importance of a thorough definition of the product’s value and how this value changes over time.

Thus, this research contributes to the theory by adopting a marketing and customer’s perspective on planned obsolescence and examining its impact through the prism of customer-brand relationship. For managers, this study is expected to shed light on planned obsolescence beyond the narrow innovation and profitability focus. It should also help managers to find a better positioning and consideration of innovation when offering their products by creating real value and inducing customer loyalty.

References


Web presence assessment of Fokida’s infrastructure related to the business tourism

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Abstract

Greece is consistently among the most competitive countries in the field of tourism competitiveness, both throughout Europe and globally. The Greek Observatory for the Information Society analyzed the index of the tourism competitiveness (TTCI), focusing mainly on the Information Technology and Communication (ICT) infrastructure for tourism. The purpose of this study is to determine the meaning and dimensions of business tourism, the description of the current situation in the field of using ICT in hotels, focusing on online presence of tourism for business travelers and a case study of Regional Unit of Fokida.

Keywords: business tourism, Fokida, Greece, website.

1. Introduction

Business tourism (Davidson, 1994⁷) is concerned with people travelling for purposes which are related to their work. As such it represents one of the oldest forms of tourism, man having travelled for this purpose of trade since very early times. Types of business tourism are:

- Conference tourism.
- Tourism to promote products.
- Business tourism.
- Exhibition and Conference Tourism.

Ian McNicoll (2004) states in details the characteristics of business tourism and its connection with the offer and demand, mentioning that these tourists may spend money for products that are not directly related to business tourism. On the other side, the business tourists add prestige to the tourist profile of their destination place.

Business tourism is almost always quality tourism⁸. This category of tourists are always welcomed by local operators, because they are conscious and mature people who contribute to the economic development of

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⁸ For the claims of this paragraph, all information is retrieved from the website http://www.iccaworld.com and from the stage of Mrs Karvouni (2012).
their destination\textsuperscript{9}, while their presence therein can be done at any period of the year and often out of the high season periods\textsuperscript{10}.

On the part of tourism professionals, it is necessary to provide a minimum level of services and infrastructure\textsuperscript{11} and rudiment promotion accompanied by motives to select their destination at least by the business tourism organizers. If this is the minimum aim, however, is not always enough for a stable and enduring choice of destination, as for that high quality services are required accompanied by excellent quality of service\textsuperscript{12}. Business tourism is often linked directly to the viability of the hotel clusters. The relationship between customer satisfaction and accommodation selection, regarding to business tourism, is reflected in several researches\textsuperscript{13}. What we can observe in these researches is that business travelers require quality and are satisfied with services similar to their job status (e.g. secretarial support, use of workplaces, free use of internet connection).

Generally, business travelers are reliable judges of accommodations because they travel often and have diverse experience of destinations, infrastructures and services. They justifiably are strict judges with high demands, according to Dolnicar (2002).

2. GCI AND TTCI INDEXES

According to ICCA (HAPCO, 2015, \texttt{www.iccaworld.com}), Greece is an ideal destination for business tourism, as it has appropriate infrastructure complemented by natural beauty for parallel recreation. Supplementary, our country is not just a geographic area with many facilities and choices, but an attractive proposition for everyone.

\textit{GCI index} (Global Competitiveness Index) ranks countries according to their competitiveness. The latest measurements (2014 – 2015) gave our country the 81\textsuperscript{st} position in the world (among 144 countries).

\textit{TTCI index} (Travel and Tourism Competitiveness Index), which is measured annually by the World Economic Forum, is composed of 14 indicators structured into four sections. TTCI is a subset of GCI.

The most recent reports of TTCI available on the website of the World Economic Forum (\url{http://bit.ly/1K49JxW}) for the year 2014-2015, ranks our country at the 31\textsuperscript{st} place.

3. METHODOLOGICAL APPROACH

In the context of this article, the case study was the Regional Unit of Fokida, in order for the business tourism infrastructures to be studied as to their web presence. The research of bibliography was focused on tourism websites benchmarks and a commonly accepted list was resulted including requirements, which a modern tourism website must meet.

A brief description of Fokida is followed, focused on elements that can push back or attract leisure and business tourism; a fact is that close to the county boundaries, tourism (leisure and business) struggles against

\begin{itemize}
  \item \textsuperscript{9} Although sometimes the cost of a business trip is disproportionate to the financial capabilities of the traveler, though we accept without loss of generality that this group of travelers has the minimum required financial ability, which allows them to afford decent accommodation and qualitative food (where these costs are covered by the same), and also for other activities that accompany the traveler and can be combined with their needs (Karvouni, 2012).
  \item \textsuperscript{10} Comparing to leisure tourists, who make extensive use of massive infrastructure at certain times, which are different for each region.
  \item \textsuperscript{11} Business tourists will surely make use of benefits and services according to Kravaritis and Papageorgiou.
  \item \textsuperscript{12} Watson (1992), Lewis (1993), Smith (1993), cited by Karvouni (2012).
  \item \textsuperscript{13} Karvouni (2012) from p.21 and onwards.
\end{itemize}
tough opponents (e.g. Arachova, Nafpaktos and highland Nafpaktos, Lamia, Karpenissi, Patra and all the north coast of Peloponnese).

Next step was to choose websites of some hotels, using a simple and random search over the web; the main criterion was the hotels to be located in different places of the county. For each of these websites a positive or negative element was noted in an objective manner. Any quantitative scoring and ranking, which could be based on statistical functions, was knowingly avoided. It is rather a simple recording of which website criteria are met, even at minimum.

Regional Unit's infrastructure for professionals is listed, based on the data of the Hellenic Chamber of Hotels, as follows:

- hotels (5-3 star, first and second grade),
- convention centers and halls suitable for meetings,
- spiritual and cultural centers.

For each of the above infrastructure, their web presence was looked for and evaluated objectively, according to the criteria adopted. A business traveler not only deals with the websites of hotels, but also visits other sites (e.g. local clubs, municipalities, individuals with information for tourists); this is why we made a similar search and evaluation of websites that are not owned by hotels, but by organizations (Regional Unit of Fokida, Municipalities of Delphi and Dorida, Greek National Tourism Organization – GNTO), while the evaluation criteria were modified to fit the style and content of these websites.

Evaluation was reflected in graphs. Note here that any representation is based on contents until April 15, 2015.

3.1 Websites selection of hotels for business events

Our methodological approach was concerning the hotels of Fokida, which have a conference center or meeting room according to the Hellenic Chamber of Hotels.

Figure 1: The total number of tourist facilities in Fokida (2 star and over), compared to their category and the existence of infrastructures for professionals.

![Graph showing tourist facilities in Fokida](source: Hellenic Chamber of Hotels.)

For our purposes, websites of the following main actors exploited:

- GNTO's official remarkable and complete portal [www.visitgreece.gr](http://www.visitgreece.gr).
- Regional Unit of Fokida,
- both Municipalities, Delphi and Dorida. Especially for the Municipality of Delphi, the official and very informative portal www.visitdelphi.gr was utilized.

There are remarkable web places, according to the descriptions and photographs found at the portal of the Municipality of Delphi.

### 3.2 Evaluation criteria of a tourism website

There are many researches\(^\text{14}\) on the issue of evaluation of a website, without a commonly accepted evaluation tool, since – besides the objective criteria – there is a strong subjective element, which plays its own important role on the characteristics exhibited by a website, such as simplicity, speed, understanding, completeness on information, attractiveness and compatibility with technology.

As part of this work, many related researches were utilized. A 'mixed' list of evaluation criteria is presented after procession, oriented to tourism websites:

<table>
<thead>
<tr>
<th>Table 1: Website attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Information</strong></td>
</tr>
<tr>
<td>• Activities information</td>
</tr>
<tr>
<td>• Accommodation information</td>
</tr>
<tr>
<td>• Attraction information</td>
</tr>
<tr>
<td>• Events calendar</td>
</tr>
<tr>
<td>• Entertainment information</td>
</tr>
<tr>
<td>• Maps and directions</td>
</tr>
<tr>
<td>• Restaurant information</td>
</tr>
<tr>
<td>• Photo gallery</td>
</tr>
<tr>
<td>• Shopping information</td>
</tr>
<tr>
<td>• Local weather information</td>
</tr>
<tr>
<td>• Virtual tours</td>
</tr>
<tr>
<td>• Clear, detailed, understandable information</td>
</tr>
<tr>
<td><strong>Interaction with user</strong></td>
</tr>
<tr>
<td>• Contact information (e – mail, phone, mailing address, on – line chat, skype – viber – what app etc.)</td>
</tr>
<tr>
<td>• Multiple language versions</td>
</tr>
<tr>
<td>• Newsletter registration</td>
</tr>
<tr>
<td>• Links to social media (youtube, vimeo, facebook, instagram, twitter etc.)</td>
</tr>
<tr>
<td>• Feedback form</td>
</tr>
<tr>
<td>• Online reservation</td>
</tr>
<tr>
<td>• Privacy policy</td>
</tr>
<tr>
<td>• Discounts</td>
</tr>
<tr>
<td><strong>Technical</strong></td>
</tr>
<tr>
<td>• Link workability</td>
</tr>
<tr>
<td>• Load time</td>
</tr>
<tr>
<td>• Search engine recognition</td>
</tr>
<tr>
<td>• Visual appearance &amp; design</td>
</tr>
<tr>
<td>• Hosting of the website (owned or embedded in another website)</td>
</tr>
<tr>
<td>• Date of last modification of the site</td>
</tr>
<tr>
<td>• Not existence of spelling and syntax errors</td>
</tr>
<tr>
<td>• Facilitating people with specific features (impaired vision, hearing, etc.)</td>
</tr>
<tr>
<td>• Absense of advertisements and pop-ups</td>
</tr>
<tr>
<td>• Eventually raises the interest?</td>
</tr>
</tbody>
</table>

\(^{14}\) A simple Google search returns more than 32,000 scientific articles for the time zone between 2013 and 2015. Source: Google Scholar (http://bit.ly/1GEilB8). These results may be different when visiting Google Scholar today.
4. RESULTS OF THE METHODOLOGICAL APPROACH

Some of the results are shown below in a graph, based on the criteria listed above for the first group of evaluation criteria, for all eleven of a total of twelve units of our sample (Anemokambi Beach hotel is in use by tourists, but its web presence is rudimentary; most information for this hotel can be found in entries in tourist sites of third parties that advertise generally accommodations or take reservations).

Figure 2: Results of evaluation.

5. CONCLUSION

We observed that there is a slight discrepancy between the different sources on the quantity and location of areas mainly for business tourists: some websites refer fewer infrastructure for business travelers than others, with no up-to-date websites for all sample. Another paradox is that we learn about some of these infrastructures through very poor websites both in technology development and content, or even with no web presence, but through advertising in other tourist websites or by telephone. This does not reduce the quality of service, but it is a sample of a certain mentality, which we expect in the future to change. An important service already provided is the availability of suitable web technologies.

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Exploring nuances in the domestic tourism niche: the case of a small island

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Abstract
This paper presents a case concerning domestic tourism on the Isle of Man, British Isles. Qualitative interviews find existence of considerable domestic tourism activity conducted by island residents. This includes daytrips and overnight stays within the island. Such behaviour is identified by residents as touristic and distinct from other leisure activities. Particular activities and motivations associated with are recognisable as touristic, as a review of the relevant literature demonstrates. Yet recognition of domestic tourism in small geographic spaces is currently almost entirely absent. This article attempts to highlight the issue and draw attention to attendant benefits of domestic tourism, which include economic and social inputs. These may be relevant to a small island community, and in the case of the Isle of Man, help to support an otherwise ailing tourism industry.

Keywords: Island Tourism; Domestic Tourism; Tourism Impacts; Qualitative Research

1. INTRODUCTION
Niche tourism is frequently advocated in the tourism studies literature as a source of destination differentiation, rejuvenation and long-term sustainability (i.e. Scherrer et al, 2009). However, largely overlooked is the potential for the domestic tourism niche to thus contribute. In general domestic tourism is a subject area which tends to be neglected by the wider literature (Neto, 2003; Cortes-Jimenez, 2008). This oversight is compounded in the case of small islands. Such tourism faces the problem of falling outside of strict definitions of domestic tourism activity, whereby travel has to be above a certain distance to qualify, frequently greater than that which is possible in a confined geographic space (Canavan, 2013a). This is despite indirect evidence that island residents support many local tourism activities (Tsartas, 1992; Haralambopoulou and Pizam, 1996), and description of similarly scaled island-to-island tourism, where small island inhabitants are shown to pursue diverse tourism activities on a smaller island neighbour (Boissevain, 1979; Weaver, 1998). As Jaakson (1986) notes, escapism, relaxation, and proximity to nature underlie second home tourism, even when the second home may be within visual range of the first. Small scale does not mean tourism activity, and the motivations to undertake such activity, are non-existent (Canavan, 2013a).

Yet such understandings of nuances within domestic tourism are largely overlooked. Hence destination management and marketing strategies and recommendations outlined in the current literature, neglect a significant potential market. This paper aims to address such gaps in the literature, and therefore investigates domestic tourism in an underappreciated context; that of the small island.

2. LITERATURE REVIEW
Although it may at times be considered as a niche for destination management and marketing purposes (i.e. Wilson, 1997), domestic tourism is itself large in scale and may thus somewhat bely niche definition. Research illustrates how domestic tourism accounts for upwards of four fifths of all tourism flows (Scheyvens, 2002). Even in nations with internationally orientated tourism industries domestic tourism is demonstrated to be greater in terms both of size and economic contribution (i.e. New Zealand; Pearce, 1990, Spain and Italy; Cortes-Jimenez, 2008, Italy: Massiddu and Etzo (2012: 609). To illustrate, estimates put the value of the UK domestic tourism industry in 2009 at around £70bn, more than three times the size of international (VisitBritain.org).

A range of benefits have been specifically associated with domestic tourism that make the niche of interest to tourism practitioners. Domestic tourism is widely acknowledged for inducing a redistribution of national income, from richer typically metropolitan areas, to poorer usually rural and isolated ones (Archer, 1978, Pearce, 1990, Neto, 2003). Hence, domestic tourism can offer opportunities for wealth transfer to and sustainable development of secondary landscapes and attractions (Secklemann, 2002). Peripheral islands tend to lack first-order attractions, yet they frequently have an abundance of high quality natural and cultural landscapes of interest to potential visitors.

Domestic tourists may additionally be more sensitive to local cultural and natural carrying capacities, due to cultural proximity, shared values and resources (Ryan, 2001). Carr (2002) suggests tourists may indulge in less hedonistic, and potentially problematic, behaviour, domestically than when abroad.
why might take a prolonged period of time. Activities, such as walking, shopping and eating out, was the norm for a touristic daytrip, and hence illustrated included a greater element of preparation associated with packing, planning and arranging. Combination of more general leisure pursuits. Tourist activities took place over longer periods of time for instance. They might take a prolonged period of time. 

Finally, domestic tourism may be a means for destinations to reduce seasonality, and dependence on few originating markets, or declining markets (Sindiga, 1996). Moreover, Mykletun and Crotts (2001) note in Bornholm, Denmark, that whilst international arrivals spend more per head, they have far lower propensity to revisit, thus over time, their spending is lower as well as less reliable. This is noteworthy for the Isle of Man, where 40% of domestic (British Isles) visitors have been four times or more, 10% eleven or more (Isle of Man Tourism Survey 2004).

2.1 The Isle of Man
Located in the centre of the Irish Sea, British Isles, the Isle of Man has an area of 588km² and is home to circa 80,000 people, around a third of which live in the capital, Douglas (Isle of Man Digest of Statistics, 2010). The island is characterised by a distinctive culture informed by its geographical position, and independent tradition dating back to Celtic-Norse roots. Today the island remains a self-governing Crown Dependency of the UK. The island’s natural landscape is equally varied, with a diversity of natural habitats ranging from upland heather moors and wooded glens, to coastal heath, agricultural plain, dunes and cliffs. Flora and fauna includes internationally significant rare bird populations, such as chough, curlew, and peregrine falcon (Hopson and Lamb, 1995).

From the 1890’s to the 1960’s, the Isle of Man was a major British domestic tourism destination. However, from the mid 1970’s onwards, visitor arrivals began to fall, to levels around one third of past levels. Today, tourism is only the sixth biggest sector of the island economy, creating around 5% of GDP and 14% of jobs (Isle of Man Digest of Statistics 2010). The principle reason behind decline, as with other north European coastal resorts, has been described as the rise of cheap foreign travel (Walton, 2000).

3. METHODOLOGY
This article is based upon fieldwork in the Isle of Man conducted during a period of part time residency on the island from October 2010 – October 2013. This involved field trips to tourist attractions, participant observation of and with island tourists, literature reviews of government statistical data, local newspapers and local tourism literature. These were used to immerse within local culture, and to build a broad understanding of local tourism and the surrounding context embedded within. Subsequently 29 depth qualitative interviews were conducted with island residents in order to analyse local attitudes towards tourism. Interviews were live recorded and then transcribed within 72 hours by the researcher. Emergent patterns were categorised and analysed using traditional colour coding/copy and paste techniques.

The sampling process used a combination of purposive sampling and snowballing, with new interviewees recruited based on recommendations from other participants (as with Schmallegger et al, 2011). Some network sampling occurred due to the nature of building contacts within a small island society. Creswell (2003) describes the risk of backyard sampling, whereby only similar opinions to one’s own emerge due to tendency for commonality amongst group members, albeit Flick (2002) describes how personal contacts often feel uninhibited. Whilst it is accepted that this approach will have limitations in terms of its representativeness, for exploratory research such an approach remains valid and pragmatic advantages were felt to outweigh.

4. RESEARCH FINDINGS AND DISCUSSION
4.1 Identifying Domestic Tourism
Interviews demonstrated that there was considerable and distinguishable tourism activity by Isle of Man residents within island. All participants described taking touristic daytrips multiple times per year. A quarter of interviewees had also taken overnight stays in a variety of accommodations including holiday cottages, campsites, and hotels or B&B’s.

Descriptions of touristic activities shared common elements which distinguished for interviewees from more general leisure pursuits. Tourist activities took place over longer periods of time for instance. They included a greater element of preparation associated with packing, planning and arranging. Combination of activities, such as walking, shopping and eating out, was the norm for a touristic daytrip, and hence illustrated why might take a prolonged period of time. “It is nice to go down south with the grandchildren and make it a
full day out. You can go to the castle, take them to see the trains... we always stop for an ice cream, even if it’s raining.” As such, tourist trips or stays seemed to imply a level of time commitment and associated planning, beyond the more routine or less special. 

Tourist activities were also communal, with all respondents describing partaking with other people. This included partners, family and friends. Hosting visiting friends and relatives was commonly discussed and clearly an important motivator to pursue domestic tourism as a means of entertaining guests. “I love having (family) over. It makes you go out and do things and you get a lot out of it yourself.” By contrast, two interviewees discussed how other outdoor activities considered as hobbies rather than tourism, tended to take less time and be solitary. Thus hiking might be a popular leisure pursuit, yet several hours doing just this would not be considered tourism.

Lastly, certain types of destinations visited also characterised and distinguished touristic activity according to participants. Attractions were important, particularly the beach, cultural-historic and natural sites. Castles, glens, the Laxey Wheel, museums and beaches were commonly highlighted. The coastal towns of Peel and Port Erin were popular destinations because of their perceived resort qualities. Both towns are centred on sandy beaches and have historic centres with small shops and cafes. Interviewees also appreciated the towns’ holiday atmosphere. “The Sound is really nice... I like that there are always a lot of people there enjoying the setting... It (the island) can get lonely; it’s nice to share it with people.” “Everyone seems to go to Peel don’t they? There are always people out having a good time, having ice-creams. It is always busy, even in winter.” Such landscapes may therefore have more hedonic and social meanings to residents, than more utilitarian areas and facilities (Snepenger et al, 2007). Descriptions of small shops and cafes was distinguished from more general shopping activities, as a more unusual, exploratory activity for example.

4.2 Motivations for Domestic Tourism

A number of influences motivated participants to undertake domestic tourism. Social motivations were important. Described by a majority of participants was a need to entertain social groups or dependents, such as children or overseas guests. In turn, pursuit of social or romantic desires motivated many to take daytrips or stay overnight. And group hedonism was discussed by two participants who had stayed on the Calf of Man. “Oh my God we all got so drunk... x and y got together and it was so funny. We had the best time.” “It just like really brings you like together. Like, it is away from parents and everybody else, and so you can like really get to know each other.”

Escapism was important to all interviewees. “You get tired of doing the same thing don’t you?” Regularly expressed was a desire to do something different, namely visiting somewhere unusual, and doing unusual things. These changes were usually modest, eating ice-cream on the seafront for instance, but were a break from the everyday and mundane. “Sometimes I just think; ‘oh why don’t we have lunch in the campervan?’ and so we might. It’s just trying to have a little fun.” A need for social escapism in what can be close knit and homogenous small island communities, has been noted (Duffield and Long, 1982) and was likewise identified here. Several respondents discussed a sense of social claustrophobia and obligation in locales. “You can’t do anything without people knowing about it.” Hence travelling to a less frequented location, where one is unknown, could be particularly relaxing. “It’s so nice to go to the shops and just be able to browse... You can just space out. Here I am looking through the window to see if anyone I know is at the till.” Research henceforth concurs with extant literature on tourist motivations, notably the socio-psychological desire to escape from mundane environments, relax, enhance kinship relationships and facilitate social interaction (Crompton, 1979, 1981).

Related to the desire to do something different, was a desire to explore and learn more about island landscapes. For example, those staying on the Calf of Man detailed a desire to experience the wildlife and inaccessible landscapes of the island, in a way which relatively few people had. For campers, their activity gave them access to enjoy tranquillity, romance, isolation, and time to appreciate the natural beauty of their surroundings. “You can get really close to the wildlife. There was this hen harrier just sat on a fence post about twenty feet away from my mum. I don’t know if it’s because they’re not used to seeing people. It’s really good if you are into that sort of thing: wildlife.”

The island’s landscapes were talked about at diverse overall, and regionally flavoured. Furthermore, although a small island, interviewees discussed how travel times are restricted by small roads. Also illustrated by research was a localised sense of time and space. The Isle of Man might seem geographically small to an outsider, but for those resident it may not seem so. Conversations were of long periods without visiting entire regions because of how far away they seemed and how much effort would be involved. A forty minute car journey on the island can seem lengthy and off-putting. “I haven’t been to Castletown in about six years!” “It seems silly. When I first came here people said they only went to Port Erin once a year and I didn’t believe them, but now I am like that too. It gets like it is a big effort.” As is commonly noted in anecdotes, a short flight might seem nothing to an Australian accustomed to vast landscapes. It appears the opposite is perhaps true for small islanders.
Thus participants spoke about landscape contrasts between north and south or east and west, heightened by infrequency of travel between and thus unfamiliarity with. “Going down south for a holiday; it’s like going to a different country!” “It is surprisingly different down there... Like it doesn’t seem like it is the same island.” “The south feels much more touristy... well maybe it is just it feels like that to me because I’m coming from the north. Maybe they come to Ramsey and feel like they are on holiday!” These contrasts enable a sense of differentiation from normal spaces and sense of routine and the mundane associated with. Archer (1978) suggests domestic tourists seek out novel spaces in this way. They satisfy definitions whereby domestic tourism involves travel outside of the normal place of residence to other areas within the country (Burkart and Medlik, 1981). They also facilitate feelings of exploration and gaining new knowledge about the island.

Therefore, although socio-psychological factors such as entertainment or escapism were the most commonly described motivation for domestic tourism, cultural factors such as discovery and increasing knowledge were found to exist as well. Crompton (1979) refers to this as where the emphasis is on the destination itself as a place of novelty, interaction and learning, rather than a function through which needs, such as escapism, can be satisfied. Both positive escapism; that concerned with learning and broadening minds, and negative escapism; seeking fun, pleasure, and getting away from responsibilities and stress (Fodness, 1994), were identified.

5. DISCUSSION
A unique contribution of this study is to raise awareness of the incidence of domestic tourism in a small island. Research found that limited size is not a barrier to significant touristic activity as evidenced by the high frequency of tourism daytrips and overnight stays amongst Isle of Man residents interviewed. Landscape variety, infrequency of travel, and a localised sense of travel times and expense, were identified. These enabled the motivations for escapism and exploration, which were found to underpin domestic tourism demand, to be fulfilled locally.

This findings is important because it highlights the existence of a potentially significant tourism niche that small islands may use as a source of industry support, yet until now overlooked. In the case of the Isle of Man, a stagnant tourism sector might benefit from the inputs of domestic tourists, helping to maintain the industry and important economic, social and environmental role it plays locally (see Canavan, 2013a; 2013b). Such inputs might be in terms of contributing to overall touristic atmosphere, stimulating exchanges between local and international tourism stakeholders, and financial gains.

Although direct questions were not asked, it appears to be the case that there is considerable associated economic input into the local economy as a result of domestic tourism on the Isle of Man. This input is through described spending on visiting attractions, transport use, shopping and eating out, as well as some accommodation spend. This type of tourist spend represents purely a recycling of money in the local economy, and does not address the foreign exchange gap import dependent small islands typically experience (Ayres, 2000). Yet it is an input which may help to maintain the overall viability of the Isle of Man tourism sector, which itself is an export industry. As Crouch and Ritchie (1999: 141) identify: “Foreign demand thrives more readily when domestic tourism is established”. Financial support, particularly out of season, and the contribution of domestic tourists to overall touristic atmosphere, may exemplify why (Canavan, 2013a).

5.1 Conclusion
Found to be widespread in the Isle of Man was domestic tourism activity found to be distinct from more general leisure pursuits in terms of being more time consuming, communal, and centred upon more unusual activities and attractions. Motivations of escapism and exploration were found. Such descriptions and motivations were related to the wider literature analysing and describing domestic tourism, and which have used similar criteria (i.e. Archer, 1978; Sindiga, 1996; Neto, 2003). This touristic activity was facilitated by local landscape diversity, limited transport infrastructure, and local sense of space. Together, these make domestic tourism activity possible in a confined space and therefore understandings of domestic tourism need to be open to such variety and nuance. This is particularly important in light of the potential benefits of local domestic tourism as a significant source of economic and other inputs.

Due to the small sample size involved, generalizability of the findings is limited. Moreover the lack of homogeneity between small islands may limit findings to a case by case basis (Milne, 1992). Further research is needed in comparable and contrasting small islands in order to better understand the extent of and conditions for such micro level domestic tourism. Quantitative research with larger samples would meanwhile help to better assess the scale and contribution of this type of tourism. The value of conducting such further research has been established in this article.
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Factors affecting smartphone shopping

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Abstract

In recent years, the telecommunication sector has seen its market-leaders change. Today, the market is headed by 11 manufacturers, even though two main companies hold 42% of the market-share (Samsung and Apple). Furthermore, hundreds of models incorporating new functionalities are launched every year. This research is one of the first attempts to investigate functional evaluation in shopping smartphones and to predict future context of this turbulent market.

With the use of 264 surveys of real smartphone owners and users, collected online in the first fortnight of May 2015, and the use of Conjoint Analysis (CA), we highlight major attributes consumers take into consideration in buying smartphones. Results show that consumers who decide to buy a smartphone consider Price, Camera performance, Battery-life and Brand. De facto, we find that, in smartphone shopping, consumers brand awareness is less important than technical characteristics. Notwithstanding, running the CA on subgroups defined by the brand of the smartphone owned, we find different attributes’ relative importance. Results show that Apple owners have a stronger brand awareness than Samsung owners. Implications aim to help manufacturers in developing smartphone features rationalizing invested resources, interpreting preferences of customers and reinforcing competitive advantages.

Keywords: smartphone, attributes, factors, conjoint analysis, brand awareness, price, technical characteristics.

1. INTRODUCTION and literature background

Until few years ago, the smartphone was considered as an experience good (Yoo, Yoon and Choi, 2010) and because of its high price, few people owned one. Like for any other technology and innovation (Rogers, 1995), in its early stage most consumers hesitate to purchase smartphones. Nevertheless, today we can consider the smartphone as a disruptive innovation, because in less than five years it has reached the majority of consumers and the newest products, nowadays, are considered as commodities. Today, the smartphone “is becoming an essential IT gadget to the working executives. The smartphone offers flexibility to the executive to be mobile and ability of wireless data and voice communication with their clients at anytime, anywhere they are” (Bojei and Hoo, 2012, p.38).
The spread of smartphone, worldwide, has totally reshaped not only society and ways in which consumers communicate each other, but also the telecommunications market. In just a few years, smartphone manufacturers have replaced manufacturers of mobile-devices. Today, 11 main producers head the market of smartphones, with Samsung and Apple, which together account for almost 42% of market-share. Each manufacturer manages a unique brand and produces different products with various specifications. In the first quarter of 2015, approximately 345 million smartphones were sold worldwide (Table1).

Table 3: Global smartphone vendor shipments (Million of units)

<table>
<thead>
<tr>
<th></th>
<th>Q1 ’14</th>
<th>Q2 ’14</th>
<th>Q3 ’14</th>
<th>Q4 ’14</th>
<th>Q1 ’15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samsung</td>
<td>89.0</td>
<td>74.5</td>
<td>79.2</td>
<td>74.5</td>
<td>83.2</td>
</tr>
<tr>
<td>Apple</td>
<td>43.7</td>
<td>35.2</td>
<td>39.3</td>
<td>74.5</td>
<td>61.2</td>
</tr>
<tr>
<td>Lenovo - Motorola</td>
<td>19.7</td>
<td>23.8</td>
<td>24.5</td>
<td>24.7</td>
<td>18.8</td>
</tr>
<tr>
<td>Huawei</td>
<td>13.4</td>
<td>20.1</td>
<td>16.5</td>
<td>24.1</td>
<td>17.3</td>
</tr>
<tr>
<td>Others</td>
<td>119.2</td>
<td>141.4</td>
<td>163.9</td>
<td>182.3</td>
<td>164.5</td>
</tr>
<tr>
<td>Total Market</td>
<td>285.0</td>
<td>295.0</td>
<td>323.4</td>
<td>380.1</td>
<td>345.0</td>
</tr>
</tbody>
</table>

Source: IDC Smartphone Market-Share 2015

However, despite a growth trend in sales in the last 5 years, according to StrategyAnalytics.com, on a quarter over quarter basis, the market contracted 8% on the back of a large inventory build-up at the end of last year. Considering the trend towards the maturity of the market (Kang, Cho, Lee, 2011), the hyper-competition of the sector, and the heterogeneity of consumers (Voeth, Herbst and Liess, 2012; Gilmore and Pine, 1997; Dellaert and Stremersch, 2005), the assumption proposed by Pine, Peppers and Rogers (1995, p.103) become primary: “consumers want exactly what they want”. In fact, in the smartphone market, it becomes extremely easy for consumers to meet the best option that satisfy their wants, switching from a brand to another to get more functional and performing products. Thus is paramount for scholars and managers in understanding what makes consumers buy a smartphone. Most of the studies on smartphones, are related to the adoption and use of smartphone technology such as: adoption and acceptance, functionality and performance, software and security, networking and connectivity (Aldhaban, 2012). The holistic approach to the adoption of smartphone as whole product has not been explored enough (Aldhaban, 2012; Kang, Cho and Lee, 2011). According to Karjaluoto et al. (2005, p.63) “the acquisition of a new mobile phone […] is also affected by symbolic values related to brands”. Many authors stated that in presence of choice overload, consumers are more likely to make the choice based on limited information (Lugli, 2012; Karjaluoto et al., 2005; Moorthy, Ratchford and Talukdar, 1997). According to Mohd Suki, consumers, and in particular students, are not influenced by smartphone price because owning and using a smartphone enhances their image; for this reason recognized, branded and trustworthy smartphones are preferred (2013). In line with Mohd Suki, also Faryabi, Fesaghandis and Saed found that “a well-known brand has better quality in comparison to a product associated with an un-known or less-known brand” (2015, p.174). Thus, scholars agree that brand awareness is the main predictor of smartphone shopping. But, in cases where consumers have past experience, and when quality differences exist among competing brands, consumers “may "pay a price” for employing simple choice heuristics such as brand awareness in the interest of economizing time and effort” (Hoyer and Brown, 1990, p.141). Karjaluoto et al., studied reasons to change mobile phone among students, and found that “price, brand, interface and properties were the most influential factors affecting choice between brands” (2005, p. 60). Rahmati et al. found that “system designers should continue to work […] provide users with more options regarding the trade-off between battery capacity.
and device bulk” (2012, p.20). In a study of 2013, Lay-Lee, Kok-Siew and Yin-Fah show that “smartphone users will consider product feature at first”, convenience secondly and brand thirdly (p.2437).

So, what are the main features that consumers consider when buy a smartphone? Is the brand stronger than technical characteristics? Is price irrelevant on the decision to buy a smartphone? What is the relative importance of the technical characteristics such as the battery life and the camera?

We are in an era in which consumers switch from a brand to another to get more functional and performing products. If consumers are more careful on technical functions of mobile-devices, and in particular on price, in the long run, will marketing investments in brand awareness lose their effectiveness? In the smartphone market, we face leading brands that base their competitive advantages and success on the concept of consumer’s brand awareness and consumers self-identity. This is for example the case of Apple that has been working in creating a brand concept with a strong brand awareness. Apple buyers still retain the strongest brand awareness, but this stop being the driving force of purchasing Apple’s products to keep market share? Vice versa, is the brand awareness an accessory to a much more complex product?

In our pre-test conducted on 75 college students at the beginning of April 2015, we found that the main positive and negative recalls connected to the smartphone shopping are technical factors (i.e. battery-life, price, camera, memory).

Through an applied analysis into the branded product portfolio we aim to help manufacturers to understand if it is better to invest in R&D in developing technologically advanced products or in communication and advertising to reinforce the brand awareness.

Our investigation of real smartphone owners and users, focuses on the analysis of how different sets of endogenous variables such as Brand, Price, Battery-life and Camera influence future shopping decision. Using a conjoint analysis (CA), we identify the relative importance of the 4 factors (called attributes in CA). Finally, we focus on smartphones’ ownership of the two leading brands (Samsung and Apple) and we show differences in relative importance of the four attributes between branded owners.

2. THE EMPIRICAL STUDY AND RESULTS

Data was gathered via an online survey website and launched through Facebook. The post was shared on Facebook during a period of two weeks, in the first fortnight of May 2015. A total of 277 successful questionnaires were collected. As the research design was calibrated on the local market, 9 answers were excluded because completed by non-Italian consumers. 4 answers were excluded because they were completed by non-owners of smartphones. A total of 264 answers were used for the analysis. The final sample of this study includes exclusively real smartphone owners and users in Italy.

The profile of the sample is summarized as follows: male are 75.8%, and female are 24.2%. The average age of the interviewees is 33 year old, from a minimum of 15 years old to a maximum of 71 years old. Almost 55% of the respondents has a secondary level of education and 15.2% possesses a bachelor degree. Graduates accounted for 17% of the respondents, while only 2.3% have a post-graduate degree. Other categories are residual. 50.4% possesses an iPhone, 34.8% owns a smartphone branded Samsung and 14.8% has a smartphone of other brands (e.g. Sony, LG, Nokia, Huawei).

Survey results and the conjoint analysis were analysed using SPSS 21.0.
2.1 Conjoint Analysis and Research Design

To analyse the relative importance of the utility for each functional attribute that the Smartphone contains, we use conjoint analysis. Conjoint Analysis (CA) is a technique typically suited to studying customers’ choice processes and determining trade-offs (Hauser and Rao, 2004).

CA pinpoints the preference of each alternative in terms of path utilities expressed in individual attributes. In fact, when consumers choose a model instead of another, they show their preference for an attribute. Each attribute has several sub-levels. In conjoint analysis, the path-worth utilities of individual attributes are calculated based on the selection or ranking of a defined set of combinations of attributes values. In our case, we identified 4 attributes with a maximum of 3 sub-levels each (Figure 1). No prior assumption is made about the relationship between the levels and the data.

Table 2: Variable smartphone attributes

<table>
<thead>
<tr>
<th>ATTRIBUTES</th>
<th>LEVELS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand</td>
<td>Apple</td>
</tr>
<tr>
<td>Camera</td>
<td>5 Mpx</td>
</tr>
<tr>
<td>Battery life (stand-by)</td>
<td>&lt; 300 h</td>
</tr>
<tr>
<td>Price</td>
<td>149-199€</td>
</tr>
</tbody>
</table>

As Carmone and Green (1981) found it is difficult for customers to rank more than a dozen profiles, hence, we decide to design the survey with a maximum of 14 models to rank. According to Levy (1995) the engagement of respondents required a more realistic judgement stance and CA predicts better the overall consumer preference through aggregating the utility scores of all individual product attributes. For this reason, we identified the main smartphone sold on the Italian market and we choose 3 main iPhones and 4 main Samsung smartphones. We proposed the main technical characteristics of the 7 identified products with the two brands. Thus, for example, we proposed the main characteristics of iPhone 5 in the model 2 branded Apple and in the model 8 branded Samsung (Figure2). We asked respondents to evaluate alternatives consisting of different combinations of attributes by ranking all proposed combinations from 1st for the most preferred to 14th for the least preferred model. “Order, the following models of smartphone from that you definitely would buy (position 1), to that you do not would buy (position 14)”. Interviewees were asked whether they own a smartphone or not.
Table 3: Models and technical characteristics proposed in the survey

<table>
<thead>
<tr>
<th>Model</th>
<th>Brand</th>
<th>Camera (Mpx)</th>
<th>Battery-life (h stand-by)</th>
<th>Price (€)</th>
<th>Model for sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apple</td>
<td>5 Mpx</td>
<td>300 – 450 h</td>
<td>149 – 199 €</td>
<td>I-Phone 4</td>
</tr>
<tr>
<td>2</td>
<td>Apple</td>
<td>8 Mpx</td>
<td>&lt; 300 h</td>
<td>359 – 679 €</td>
<td>I-Phone 5</td>
</tr>
<tr>
<td>3</td>
<td>Apple</td>
<td>8 Mpx</td>
<td>300 - 450 h</td>
<td>949 – 999 €</td>
<td>I-Phone 6 plus</td>
</tr>
<tr>
<td>4</td>
<td>Apple</td>
<td>8 Mpx</td>
<td>&gt; 450 h</td>
<td>149 – 199 €</td>
<td>Samsung S3</td>
</tr>
<tr>
<td>5</td>
<td>Apple</td>
<td>8 Mpx</td>
<td>&lt; 300 h</td>
<td>149 – 199 €</td>
<td>Samsung S4 Mini</td>
</tr>
<tr>
<td>6</td>
<td>Apple</td>
<td>16 Mpx</td>
<td>300 – 450 h</td>
<td>359 – 679 €</td>
<td>Samsung S5</td>
</tr>
<tr>
<td>7</td>
<td>Apple</td>
<td>16 Mpx</td>
<td>300 – 450 h</td>
<td>949 – 999 €</td>
<td>Samsung S6</td>
</tr>
<tr>
<td>8</td>
<td>Samsung</td>
<td>5 Mpx</td>
<td>300 – 450 h</td>
<td>149 – 199 €</td>
<td>I-Phone 4</td>
</tr>
<tr>
<td>9</td>
<td>Samsung</td>
<td>8 Mpx</td>
<td>&lt; 300 h</td>
<td>359 – 679 €</td>
<td>I-Phone 5</td>
</tr>
<tr>
<td>10</td>
<td>Samsung</td>
<td>8 Mpx</td>
<td>300 - 450 h</td>
<td>949 – 999 €</td>
<td>I-Phone 6 plus</td>
</tr>
<tr>
<td>11</td>
<td>Samsung</td>
<td>8 Mpx</td>
<td>&gt; 450 h</td>
<td>149 – 199 €</td>
<td>Samsung S3</td>
</tr>
<tr>
<td>12</td>
<td>Samsung</td>
<td>8 Mpx</td>
<td>&lt; 300 h</td>
<td>149 – 199 €</td>
<td>Samsung S4 Mini</td>
</tr>
<tr>
<td>13</td>
<td>Samsung</td>
<td>16 Mpx</td>
<td>300 – 450 h</td>
<td>359 – 679 €</td>
<td>Samsung S5</td>
</tr>
<tr>
<td>14</td>
<td>Samsung</td>
<td>16 Mpx</td>
<td>300 – 450 h</td>
<td>949 – 999 €</td>
<td>Samsung S6</td>
</tr>
</tbody>
</table>

3. RESULTS

The main goal of this research is to verify if the consumers’ brand awareness is the main predictor of smartphone shopping. As shown by the analysis of the average rating of the 14 models, owners of the iPhone prefer Apple-branded smartphones to Samsung. Similarly, Samsung owners prefer, basically, Samsung models instead of Apple. The average rating for each of the 14 proposed models given by those who own a smartphone from other brands is much more homogeneous (Figure 1).
In our case, all the attributes are calculated based on the selection of rank of the defined set of combination of attribute values. To discern utility values among different customer groups identified for the brand of their mobile device, we compute the CA three times. In the first case we analysed all the respondents (n=264), in the second case we analysed a sub-group based on Apple owners (n=133) and the third analysis focused on the sub-group of Samsung owners (n=92).

Results of the Conjoint Analysis (Figure 2) show that the main attribute that consumers take in consideration in their shopping evaluation is price, with a relative importance of 29.76. In particular, premium price has a negative impact on shopping decision. The second attribute is camera, and the better the performance of the camera, the better is the consumer’s evaluation. The battery-life (25.30) is the third attribute in smartphones’ shopping evaluation, with a positive effect for the best performance in terms of battery’s hours-life in stand-by. Contrary to the expectation, the brand has the lower relative importance (18.32) and, in particular, smartphones branded Samsung are less willing to be bought.
2.1 Apple vs Samsung Owners

If we compare results from the two subgroups identified by the brand of the smartphone owned, we find some differences. Even if the order of the attributes is the same of the total sample, the relative importance of each is very different. The price is still the most important attribute for both groups, but it reaches the best relative importance with Samsung owners (31.42) that are more conscious of costs. In particular, Samsung owners prefer the lowest price range, while Apple owners prefer the highest. Both groups prefer cameras with high performance. Apple owners evaluate positively higher battery performance, while Samsung owners give the positive rating to the average level of the battery life. Finally, the brand appears to be the most critical variable taken in consideration in our research design. In fact, the difference between the relative importance of the two groups is the highest (6.55). As we expected, Apple owners give a higher score to Apple smartphones, while Samsung owners give the higher score to Samsung smartphones. Nevertheless, the path-worth value of Apple is double that of Samsung, confirming the higher level of brand awareness in the former group.

4. IMPLICATIONS AND LIMITATIONS

Trends in the smartphone market have shown that the sector is strongly affected by changes in innovation and technology adoption. In only a few years, the market-share has been reshaped due to companies’ inability to react to consumers request for more innovative and high-performance products. Indeed, the maturity of the smartphone market leads consumers to evaluate not only emotional aspects (brand) of the product they purchase, but also functional features (i.e. camera, battery, price). This study shows that smartphones owners and users consider functional characteristics first. In particular, results obtained by CA show that the main factor influencing consumer shopping behavior is price, indicating that smartphone owners and users buy smartphone on the basis of cost. However, we found that Apple owners are willing to pay a premium price for their i-Phones. Camera image quality and a longer battery life are the second and third factors consumers take in consideration in shopping smartphones, confirming consumers’ consciousness of technical features of technological products. Brand seems to be the less important factor taken in consideration by consumers in their shopping process, even though Apple owners still prefer Apple in their future purchase, while Samsung will regain Samsung smartphones. Given these results, manufacturers should reduce their investments in communication and brand awareness by enhancing investments in R&D and innovation to improve battery-life and image resolution of the camera, and all related technical features that make their product pioneering.

The case of smartphones proves interesting insights in the horizontal comparison between brands. Thus, for example the direct comparison of the relative importance given by direct owners of the two brands to the factors connected to the i-Phone 6 plus and the Galaxy S6 shows that the path-worth value of the former is higher (9.40) than the latter (8.23). However, the high-value recognized to the Apple brand by its owners (1.69) is not sufficient to compensate the perceived value recognized by Samsung owners to advances in product features: camera (1.50) and battery (1.07). In fact, the result of inferiority of Samsung is due to the negative impact of the premium price of the Galaxy S6 (-1.35). A Samsung aggressive price competition could lead market-share to change again.

In spite of these contributions, however, this paper has several limitations and future research is needed. First, it is impossible to verify whether the brand choice, and the related value, is based on ownership or, vice versa, if the initial brand awareness influences brand self-identity. In fact, in our study we have just 4 respondents who do not own a smartphone, and all other answers are influenced by previous experiences. Due to the low number
of non-owners, we have excluded them from the analysis and we are unable to express any opinion on their shopping preference (Louviere, Flynn, and Carson, 2010). As noted by Bojei and Hoo (2012) more studies are needed to investigate whether brand awareness affects consumer current use and repurchase intention. However, in general, we find that, even if the brand is the less influential attribute in the most desired smartphone, owners of Apple and Samsung show a real preference in buying a smartphone with the same brand as the one they already own; there is brand loyalty evidence. Second, our analysis was developed online, so respondents are technologically aware. Consumer technology usage could represent a bias in the attribution of weight of functions. In fact, if smartphones are now considered as commodities, it is also true that many people do not buy mobile-devices because they find them too complex to use. Third, although it was based on an online survey, data collection was limited to Italians, and, for data on the Italian market versus the Chinese or American market we have different rates of smartphone market-share. In future, it would be interesting to study differences between Italians and foreign consumers, to evaluate differences in relative importance of functional attributes. Indeed, as shown by data on market-share of smartphones there are big differences between markets. Finally, the sample size of the Samsung’s owner is lower than 100, although Akaah and Korgaonkar (1988) find sample sizes below 100 are typical for CA.

References


The interplay of cognition and emotions in country evaluation process

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Abstract
The aim of this paper is to highlight the close interplay of emotions and cognition in decision making processes and judgment. Greece has been selected because of recent ample negative publicity and high political and economic instability (emotions and awareness). The sample consisted of 100 executive managers from Europe (excluding Greeks). The findings showed that the cognition and the emotions have to coexist in a managerial decision process as they interact simultaneously and make fruitful the investment in Greece. Moreover, the emotions influence the Greece consideration and they are a moderator between the Greece consideration and Greece investment propensity. Finally, it is presented the limitations of the research and it is elucidated the possible future research directions.

Keywords: Cognitive, Emotions, Decision making

1. INTRODUCTION

The stereotype of rational thinking claims that managers have to be able to put aside their personal feelings and assess objectively all their decisions (March, 1978). Several years ago, in the field of business, the use of emotions carried negative connotations and were considered as a sign of weakness (Damasio, 1994). However, modern neurological findings indicate that emotions are necessary in order to take correct decisions. Nowadays, it is acknowledged that emotions have significant effect on managers’ decision and, often, operate as additional information of source (Shiv & Fedorikhin, 1999).

While much of the focus to date has been on the rational and behavioural aspects of decisions, there is limited research on the combination of cognitive and emotional aspects of the marketing managers’ decision process. Although the existing literature recognizes that a person’s emotional state and its cognition impact decision making in general, as well as, on specific consumer behaviours (Bagozzi, Gopinath & Nyer, 1999; Lerner, Han & Keltner, 2007; Luomala & Laaksonen, 2000; Slovic et al., 2004), there is scarce evidence on how these two constructs influence managerial decision making processes (Gaudine & Thorne, 2001; Fingler & Hanlon, 2008).

There is even scarcer research in respect to a decision maker evaluation of a foreign market both in cognitive and affective dimensions, before the company expands to it. This paper highlights the close interplay of emotions and cognition in managerial decision making and investigates their role in judging Greece as an investment destination. Greece has been selected because it has recently received ample negative publicity and is currently suffering from high political and economic instability. Both of these parameters enhance international awareness about Greece and stipulate a set of emotions. The case of Greece as an investment destination was examined by evaluating various criteria that compose and shape the country’s image. In addition, a wide range of emotions were used in order to establish feelings content and intensity toward Greece.

2. LITERATURE REVIEW

The decision making literature makes a clear reference to the emotions and feelings as a component of decision making process. It is shown because decision making is defined as a process that includes the structure of a problem as hierarchy or as a system with dependence loops, elicits judgments that reflect ideas, feelings and emotions, represents those judgments with meaningful numbers, synthesizes results and analyzes sensitivity to change in judgment (Saaty, 1999). Decision making could be performed either by research, by experience or by
investigate the role of emotions in international market selection, Greece as an emoti
of these factors. Of course and in spite of the severe economic crisis, there have been some incentives to attract
foreign markets can be a key ingredient in the firm's global competitive positioning strategy (Ayal & Zif, 19
the business' ability to eventua
the interplay of cognition and emotions have not already studied. Although useful, the results of many studies
process, rather than only a rational one can produce equally good results (Sayegh, Anthony & Perrewe, 2004).
The cognitive theory holds that two conceptual systems function in parallel during the decision making process: an experiential system, which is affective in nature, and a rational system, which is cognitive in nature (Grable & Roszkowski, 2008). Further, given the more controlled nature of the second process, the generation of cognitions is more likely to occur when processing resources are allocated by the person to the choice task than when they are not (Epstein, 1993; Grable & Roszkowski, 2008).
Even if the consumer's decision-making process has already been studied extensively, the decision making in real life organizational setting is a complex phenomenon that is not fully explained by current decision making models. Limited evidence exists related to the role of feelings in managerial decision making in marketing. Gaudine & Thorne (2001) have provided initial impetus by suggesting some relationships between positive affect and some aspects of decision-making. A review of the traditional decision-making models most often referred to empirical literature (Ferrell & Gresham, 1985; Jones, 1991, a summary of which is provided by Jones, 1991) illustrates that emotion has rarely been explicitly considered.
In one such example of published research the decision making process of managers under crisis was examined (Sayegh, Anthony & Perrewe, 2004). The study suggested that emotions contribute to effective managerial decision-making, especially in crises. According to the authors, an intuitive decision-making process, rather than only a rational one can produce equally good results (Sayegh, Anthony & Perrewe, 2004). Furthermore, they propose a formalized model of decision making which is able to retain the managerial knowledge about any single decision process. The knowledge is stored up in the system is memory and is made available to a single decision maker in similar decision contexts (Turban & Aronson, 2002).
Nevertheless, managerial decision making remains a mostly individualistic process. And in that respect the interplay of cognition and emotions have not already studied. Although useful, the results of many studies have not been extended to managerial decision making process during the evaluation of foreign markets. The decision making regarding which countries to select for invest is a critical international expansion. For companies that are going international for the first time, selection of countries is the first crucial step in internationalization. In addition, companies which already have operations in foreign countries, take an important decision deciding the right markets for future investment (Hollensen, 2011). Identifying the right market for expansion is important because (a) it can be a major determinant of success or failure, especially in the early stages of internationalisation; (b) target market decisions precede the development and thus influence the nature of foreign marketing programmes; (c) the nature and geographic location of selected markets affects the business’ ability to eventually co-ordinate its foreign operations; and (d) establishing bases at appropriate foreign markets can be a key ingredient in the firm's global competitive positioning strategy (Ayal & Zif, 1979). An error by a firm in selecting the right target country can have long-term complications on its resources and its future success (Malhotra & Papadopoulos, 2007). Thus, there are several factors that may influence an international manager to undertake an investment in another country.
Greece was never an ideal investment destination for an internationally company, if evaluated in most of these factors. Of course and in spite of the severe economic crisis, there have been some incentives to attract investors since 2008. But recent developments such as the fiscal crisis, the uncertainty created on the future course of the country, the omnipotent changes of the legislative framework governing taxation and labour issues and the perplexing bureaucratic procedures are some of the problems that created an adverse investment environment. Because of the above this paper is considered a few of the attempts in public literature to investigate the role of emotions in international market selection, Greece as an emotionally rich context offers a
great opportunity in stipulated managers emotions enabling as a more precise measurement.

3. METHODOLOGY

Multi item scales have been used for testing and measuring the model constructs. In order to accomplish the objectives of this study, an analysis was carried out to examine the image of Greece internationally. Articles of the international press were collected, published in 2012 and 2013. After extensive content analysis, it was shown that Greece had received considerable negative publicity in these two years, although in 2013 some positive news hit the headlines. After insuring the legitimacy of Greece as a "emotions rich" investment target, a questionnaire was developed. The first part of the questionnaire was measuring the previous experiences which the respondents had in relation to Greece (local relatives or friends, previous visits, etc.). The second part contained questions associated with "the need for cognition" construct, adapting the framework of Cacioppo and Petty (1982). The third part consisted of scales measuring managers' emotional state, using the Russell (1980, 1991) frameworks, as it is shown to table 1 of appendices. The final part related to decision making process. The Pereira, Hsu and Kundu (2005) and Wood and Robertson (1999) frameworks were adopted in order to measure the consideration and evaluation of Greece as an investment destination. All scales were measured on a 7-point likert scale, with the exception of emotions related items, which were evaluated by a semantic differential scale ranging -3 to 3.

Compass database was used in order to identify companies that operate in Europe (excluding of course Greek ones). Eight hundred (800) emails of executive managers were gathered and the questionnaire was sent to them via email. The data collection took place during the period of February - June 2014 and yielded a final sample of 109 questionnaires. After careful screening, it was used 100 correct completed questionnaires with 12,5% response rate.

Data were analyzed using Structural Equation Modeling (SEM), and, in particular, Partial Least Squares (PLS) by Ringle, Wende, and Will (2005). PLS is "an alternative to covariance-based SEM analysis by shifting the orientation from causal model/theory testing to component-based predictive modeling" (Chin &Newsted, 1999; Reinartz et al, 2009). Its main objective is the forecast maximizing the explained variance of the endogenous latent variables by assessment partial model relationships in an iterative sequence of ordinary least squares regressions (Hair et al., 2012; Hair, Ringle, and Sarstedt, 2011). According to Jarvis, MacKenzie and Podsakoff’s (2003) criteria for determining whether a construct is formative and reflective, “Evaluating Greece as a business destination” and “Information about Greece” were characterized as FLV and all the other constructs as RLV.

4. FINDINGS

By eliciting the decision makers’ profile, it became obvious that men (58%) were the main respondents and the age of the majority of them (49%) ranged from 26 to 40. The education level of the respondents was graduated (34%) and post graduated (35%). 17% of them came from the logistics sector, 15% from the technology sector, 13% from retailing and wholesaling and 13% from the remaining services sector. Half of the sample had visited Greece previously, 26 of them have visited Greece for vacation and 24 for business.

All of the study’s measurement scales were subjected to a test of convergent and discriminant validity. All loadings/weights were significant at the 0.01 level and above the recommended 0.7 parameter value (Significance tests were conducted using the bootstrapping with 95 cases and 500 samples). All the estimated indices were above the threshold (Bagozzi& Yi, 1988) of 0.7 for Composite Reliability (CR) and 0.6 for Average Variance Extracted (AVE). Taking under consideration the mix type of indicators and the moderation effects, it was adopted a product indicator for moderation effect between RLV constructs and a two-stage approach for measuring the moderation effect between RLV and FLV constructs, as it was suggested by Chin, Marcolin and Newsted (2003) and elaborated by Henseler and Fassott (2010).

Evaluating the initial model by estimating the standardized path coefficient, it can be deduced that “Greece Consideration” variance was explained 80,9% by “Rational Evaluation” variance and “Propensity for investment in Greece” variance was explained 51,3% by “Greece Consideration”. The model was improved by the adding of Emotions, specifically the emotions, need for cognition and rational evaluation of Greece explained 87% of the Greece consideration’s variance, and decision makers’ emotional state and Greece consideration explained 68,7% of the propensity for investment in Greece. Emotions not only improve significantly the overall explanatory power of model but also play a dual role in the decision making process both as an antecedent of “Greece consideration” and a moderation in “Greece investment propensity”. An overview of the above results with the moderation effect of emotions to every single step of a decision making process can be inferred from Figure 1.

As it is shown, the links of the initial model (Information about Greece -> Rational Evaluation -> Greece consideration -> Greece investment propensity) remain all statistically significant at 0.05 level, with the exception the relationship between “Greece as a business destination” and “rational evaluation”. Moreover, measuring the emotions’ impact on the model constructs, it is shown that they have a directly
positive influence effect on “Greece consideration” (p<0.05) and act as a moderator on the relationship between “Greece consideration” and “Greece investment propensity” (p<0.05). Finally, “Need for Cognition” does not influence “Greece consideration” as it was hypothesized from the literature.

Furthermore, as the loadings/weights reveal, managers when thinking of a country as an investment destination, pay greater attention to the investment risk, the market share of competitors, the market growth and economic, political and social stability. Less important factors seems to be the international pressures, business laws, the intention of foreign buyers to pay, the general educational level and, finally, information about the costs and the effectiveness of communication.

5. DISCUSSION

According to results, all the types information about a county influence the rational evaluation without any interference from the managers’ emotional state. Hence, it can be deduced that the rational evaluation is primarily on real facts and data mostly comprised numbers and ratios (financial and economic data). The managerial “Need for cognition” seems not to play a significant role in the decision process of evaluation Greece as a investment destination. On the contrary, emotions influence directly the possibility of considering Greece as a business destination, at the same time as rational process takes places but independently one to another. This is an accordance with previous literature, which emphasis the independent roles of cognition and emotions.

In the next stage, though, of the managerial decision making process, where consideration and evaluation of the merge of a country as a business destination is transformed to managerial intention (propensity) for actual investment, emotions assume an oblique role by moderating the strength of the aforementioned relationship. In other words, emotions provide the canvas on which all cognitive and emotional deliberations are transposed to manifested intentions. Such an effect to the best of our knowledge has been discussed previously in the relevant literature.

The applied methodology in this study aims to provide a snapshot of how emotions influence decision makers. The coexistence of rational elements and emotions in the consideration of Greece as an investment destination shows that, practically, emotions follow rational analysis in making choices and taking decisions. Thus, the decision making takes place with the parallel effects of the two and could cause the loss of any sense of priority and to be proved ineffective. Cognition and Emotions coexist in a decision making process as they interact simultaneously.

Neuro-psychologists support that the decisions are usually taken from 6 to 10 seconds before the person realizes it. This could offer an explanation about direct influence of emotions on the Greece consideration. The moderating effect indicates that when the tedious mental task of evaluation is completed, emotions leave the centre stage in the process and remain in the background, controlling the intensity of intentions. And thus, playing perhaps a more critical role in the actual nature of the decision outcome, ie. whether to invest or not.

Future researches are welcomed to extend this study by examining different emotional scales and refining the measurement process, so as to examining conscious and unconscious emotions to all the decision making process. Finally, it is suggested that further researches should be addressed to a globally wider and much longer sample.

Figure 1. Emotions and Decision making process

* The highlighted path coefficients are statistically significant at 0.05 level


## Appendix

### Table 1. Emotion’s Scale (Russell, 1980, 1991)

<table>
<thead>
<tr>
<th>Emotion</th>
<th>-3</th>
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Bridging the gender gap with digital game-based electronic books

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Abstract

Stereotypically, men are better than women using their brains and skills for mental rotation game play. The development of the e-book industry is integrated with the digital gaming industry and has the potential to offer new value in contemporary Taiwan. This paper develops a broader understanding of whether the typical gender stereotypes encapsulated in cultural values/social norms still dominate digital game play preferences of young Taiwanese adults’ playing a digital game-based English electronic book. The research demonstrates that digital game-based English e-book playing is a valuable component for establishing equality of rights between the genders.

Keywords: Cultural value, Digital game-based electronic book, Gender gap, Gender stereotype

1. Introduction

Recently, a series of new reports from DFC Intelligence (2013) has forecast that the global market for digital games is expected to grow from US$66 billion in 2013 to US$79 billion in 2017. Digital games have become increasingly popular during the past two decades and indeed now belong to the popular multimedia culture. The gaming market has also been predominantly male (Global Online Gaming Market, 2014). With the rise of further digital technologies, there are new possibilities for the game industry to attract more diverse consumers. The Entertainment Software Association (2014) released a report indicating that computer or digital games are both widespread and popular in the lives of young people in the United States of America. The average age of American gamers is 31, and female consumers now are close to 48% of digital game players – a statistic that only continues to grow. Another report indicates that the number of female players in the digital environment exceeds 24% of the playing population in Europe, Taiwan, and America (Schiano, Nardi, Ducheneaut, & Yee, 2011). More importantly, young adults value technology – particularly digital technology – for both education and entertainment. For example, games via a digital device (e.g., tablet/e-reader) help users employ a target language (e.g., English) in a real-life context where they learn by doing (Lee, 2000). It enhances all their language skills, as users are read, write, listen, and communicate in the target language. Users are also working in a meaningful environment. Historically, females prefer non-mental rotation games (e.g., puzzle, quiz, cards); in contrast, males prefer mental rotation games (e.g., action/adventure, sports, strategy) (Lucas & Sherry, 2004). It has been assumed that males are better than females when using their brains and skills for game play. However, digital devices offer many services that can enhance the game-based learning experience and open new types of game play to attract and engage young adults in meaningful ways.

Not only do new digital technologies facilitate the growth of international interconnectedness, cross-border exchanges, and trans-cultural phenomena, they also foster more and different cultural transactions (Wang & Guo, 2013). In the ongoing phenomenon now defined as globalization, people from every part of the world today tend to embrace the concepts of democracy, human rights (e.g., gender equality), and technical assistance even more. Taiwan is no exception. Taiwan government and relevant industries have paid attention to digital game-based electronic book learning as a rising field in both education and entertainment. The development of the e-book industry, when mixed with the digital gaming industry, has the potential to show even more dramatic growth in the media, entertainment, and education markets in Taiwan (Wong, 2010). Most of this growth will be seen as expanding and thriving to create new values in terms of opinion change in Taiwan. The main objective of the research, therefore, aims to understand whether the typical gender stereotypes encapsulated in cultural values/social norms still dominate digital game play preferences of young Taiwanese adults’ playing a digital game-based English electronic book.

2. Conceptual framework

2.1 Game type preferences

Computer and video games have become increasingly popular in the past two decades, and female rates of engagement in digital games are increasing (e.g., Williams, Yee, & Caplan, 2008). Interestingly, Yee (2006) pointed out that female players are typically introduced to the digital environment by a romantic partner. In fact, most popular
digital games feature male protagonists and are primarily marketed to men (Beasley & Collins, 2002). The diversity of digital game players also does not appear to be changing the types of games produced by the digital game industry. Many types of play are available in digital media. Yee (2007) identified three game types: Achievement, which included advance, mechanics, and competition games; social, which included socializing, relationship, and teamwork games; and immersion, which included discovery, role-playing, customization, and escapism. The results indicated that male players scored significantly higher than female players on all the achievement components, while female players scored significantly higher than male players on the social components. Lucas and Sherry (2004) further explained three game types: Traditional, which included card/dice, classic board games, quiz/trivia, puzzle, and arcade games; physical enactment, which included fighter, shooter, sports, and racing/speed games; and imagination, which included fantasy/role-playing, action/adventure, strategy, and simulation. Based on their concepts and terms, traditional games typically do not require mental rotation compared to the physical and imagination games that often require mental rotation tasks for effective play. Lucas and Sherry (2004) claimed that traditional games were preferred by females, as they are “non-mental rotation games” while physical enactment and imagination games were preferred by males, as these games are “mental rotation games.” Thus males appeared to be better than females when using their brains and skills for game play.

Greenberg, Sherry, Lachlan, Lucas, and Holmstrom (2010) further examined the game type preference motive for different gender game playing. These results also found that males prefer physically oriented video games over the females’ preference for more traditional games. These biological differences apparently exist. Feng, Spence, and Pratt (2007) conducted experiments to examine the relationship, if any, between the training and gender differences in lower-level spatial attentional processes and the likely effects of that training on higher-level spatial cognition (i.e., mental rotation tasks). The results indicated that when both males and females spent time in training for first person shooter games, the shooting accuracy of both genders improved. However, the females’ performance on spatial tasks improved more than that of the males, virtually eliminating any gender differences. A recent research conducted by Voyer (2011) also showed the point that gender differences in paper-pencil mental rotation tasks indeed do decrease in size when the psychometric measures are administered with no time limits. The removal of time limits allows female respondents not well trained in this population to utilize effective mental rotation strategies.

According to the previous literature, the main characteristic of digital game-based learning is the new environment that individuals then regulate for their personal responsiveness, adaptability, and interactivity of self-regulatory processes in digital game play (Zaparyniuk & Code, 2009). We argue that the efficacy of well-performed digital game-based (English) electronic books that engage users in self-regulatory processes, such as self-observation, self-judgment, and self-response, may have a great effect on bridging the gender gap that exists in traditional leisure or learning settings.

2.2 Cultural Values

Historically, leisure or learning contexts like sports that appealed more to males because of their rules and structures were constructed originally by masculine domains in a masculine society (Lucas & Sherry, 2004). Similarly, the majority of leisure activities or learning in traditional computer and video games that largely attract men include direct competition, clear role definitions (e.g., sporty), and explicit goals – all stronger features usually seen as being masculine, whereas the small number of games that attract women have indirect competition, caring or thoughtful role definitions, and social orientation – all stronger features seen as caregiving characteristics or typical of femininity (Yee, 2007). There is still doubt, however, on whether gender stereotypes encapsulated in cultural values/social norms continue to dominate and females remain subordinate in today’s digital gaming environments.

In fact, gender inequality as witnessed in Taiwanese contemporary learning or leisure settings have resulted more from pre-modern gender relations and the patriarchy still latent in Taiwanese society than from individual obstacles. That is because many learning or leisure activities as such have been transformed in the Taiwanese context to include traditional gender relations. Traditional Taiwanese culture dictates that a woman’s behavior is to be defined in terms of her unquestioning obedience and subordination to masculine authority (Tsai, 2011). Learning or leisure is a man’s prerogative. Female leisure or learning activities have also been usually evaluated from that same male perspective. As a result, Taiwanese women’s leisure and learning activities are likely to build on womanly care-giving, subordinate, or indirect-competitive images. The “ideal” feminine image is thus rooted in this traditional patriarchal notion of femininity. Such an embedded cultural value has made Taiwanese society believe that women are inferior to men and should remain subordinate to men.

Gaming, and particularly its designing, programming and recreational aspects, was initially gendered as being male. Some gaming studies have pointed out that young men keep producing what only they want in the digital world (Davis, 2002). In this sense, there is a cultural dominance of masculinity in digital media. However, as the gaming industry has become connected to digital media in larger numbers and thus has become more useful for communication purposes, new technology, such as digital device (e.g., tablet/e-reader) promises to deliver liberation, power, and pleasure to a new generation of female users (ESA, 2014). Although there are still social and cultural constraints on individual behavior, for women in particular, the digital gaming industry is potentially a very liberating venture (Dovey & Kennedy, 2006). All traditional cultural values/social norms and expectations of gender as well as entrenched
hierarchies will lessen or cease because in digital gaming these features (i.e., sex, age, and body), as a basis for any evaluative categorization of self and other(s), are necessarily absent.

In this regard, digital game-based learning can liberate individuals from traditional gender stereotypes and scripts by giving them less priority and avoiding them as well as manipulating or transforming traditional signals and behaviors to new meanings. The clear distinctions between “masculinity” and “femininity” could conceivably become blurred. It is worth examining in what ways this field has leaped ahead to an application of digital game-based English electronic book on gender issues.

3. Methodology

Qualitative data collection was the main method used in this study, namely, in-depth interviews. We were particularly interested in studying young Taiwanese adults, as their age group (ages 20 to 28 years) was the first generation to grow up during the era of digital game systems. In total, fifty young Taiwanese informants were recruited in this research. In this study, different types of digital game-based English electronic books were created by the research team. The game types for this research were identified by consulting previous research (e.g., ESA, 2014; Greenberg et al., 2010; Lucas & Sherry, 2004; Yee, 2007), digital game magazines, and popular gaming Websites. Accordingly, card, quiz/trivia, and puzzle games were identified “traditional” because they emphasized game types that have been around for a long time either in the digital gaming world or in non-digital game versions. Sports, fighter, shooter, and racing/speed games were named “achievement” or “physical” games because they all imitated real world physical competition. Strategy, fantasy/role-playing, and action/adventure were categorized as “imagination” games because of their emphasis on imaginary lands. Chatting and making friends games were identified as “social” games because of their emphasis on social relationships and their development. Simulation was identified “cross-four-type” and virtually designed by cross-loading all four types of games for this research.

The data reported in this paper were collected from June 2011 to May 2013. Each interview lasted between 30 and 90 minutes. In order to preserve the informants’ responses and not lose important details, the interviewer took notes and also audio-recorded each interview. The interview transcripts were analyzed iteratively, initially examining them to draw out themes and then re-analyzing statements made in the interviews against the ongoing analysis until a coherent picture emerged. Once themes were decided upon, each transcript was further re-examined and coded for whether that theme was absent or present in a specific transcript. In the next section, these emergent themes from the interview data are fully discussed.

4. Findings and Discussion

Traditionally, gender stereotypes exist in real life and in the education fields. These strongly embedded cultural values/social norms have made Taiwanese females believe that they are inferior to men and should be subordinate, and the views still persist today (Tasi, 2011). However, the results of this research slightly challenge this kind of gender stereotype in that a number of young female Taiwanese informants were like young male Taiwanese informants in terms of also playing mental rotation (e.g., action, sports, or adventure) digital game-based English e-books. The formerly very clear distinctions between masculinity and femininity are now becoming blurred in the Taiwanese culture when playing digital game-based English e-books. Young female Taiwanese informants are not stuck in the framework of traditional gender values. *Hedy* (21, an undergraduate student) stated that “I am not smart enough. If the adventure games can increase my brain power, I am willing to try.” Both male and female young informants preferred mental rotation, such as adventure digital game-based English e-books, but a little bit difference between them still remained. The young males pursue speed, fun, and excitement with digital interfaces, whereas young females love to have interactions with other learners when playing adventure digital game-based English e-books. *Dave* was a typical case of the male point of view:

*I love to play adventure game-based English e-books because interactions with virtual enemies under a higher speed interface make me feel good... When reaching the target, it means I conquered them... I am smarter and more competitive than a machine... It is the key point that motivates me and keeps joining the learning process. That is a fun and exciting way for me to play and learn through games.*

(Dave, 21, male, undergraduate student)

On the other hand, *Jane* represents the social-orientation needs of the young female Taiwanese informants when playing an adventure digital game-based English e-book. She loves the teamwork in digital game play and commented,

*Adventure game-based English e-book is not too difficult for me to figure out. Adventure game matches with English sentences will motive me to learn and play the details.... It is simple for me to play, be entertained, and learn English. If it includes 3D contents, it will attract me and my friends to play together even more. You know I don’t mind if an adventure game is combined with socialization, I can interact with friends and we can figure out how to conquer the problems.*

(Jane, 24, insurance saleswoman)
These results echo the previous Western studies and show that young female Taiwanese informants exclusively prefer traditional (puzzle, quiz/trivia, card) and social (chatting, making friends) games (Greenberg, et al., 2010). However, the study also showed that young women are gradually adopting mental rotation games with their existing preferences. Young female Taiwanese informants like Judy further explained that socialization type of games do not bore them, driving them to play more and keep learning. As Judy explained the situation,

_I can form a team with friends or other foreign strangers to play simulation game.... This is the effective way to learn English and have fun because we have a goal to fulfil. This kind of learning is attractive because I can compete with people around the world._ (Judy, 21, female, undergraduate student)

Not only are young females taking their first step and trying mental rotation games, they also are willing to compete with males and help bridge the gender gap. Helen is another example of someone who challenges herself by leaving her comfort zone to play male-orientation adventure games (Lucas & Sherry, 2004). In this case, young women are willing to jump out from “the frame” where their own cultures and ideologies have only been cultivating them to judge and believe what they are told is true or real. Instead, young women can be liberated from traditional constraints and limitations in a digital game-based world. As Helen said,

_You know, I prefer to play adventure and socialization types because the scenario is created by ourselves. I can chat with friends, and we co-create the stories together... I don’t mind what people say... I never feel bored when I play and learn adventure and social games._ (Helen, 21, female, undergraduate student)

Furthermore, young women are learning how to adjust and enjoy the games (e.g., sports or racing) created by masculine domains. The results echo what Yee’s study (2006) mentioned, namely, that female players are typically introduced to the digital environment by a romantic partner. Further, the data in this research just indicated that the “boyfriend” becomes the key person who invites young females to join sports, racing, action, and strategy types of digital game-based English e-books. Although only a few young female Taiwanese informants in this research mentioned that they preferred sports games, they do enjoy the masculine games. For example, Amy was happy to compete with her boyfriend and play a sports game-based English e-book, because she found a way to conquer her uncomfortable feelings by self-adjustment (Zaparyniuk & Code, 2009). For instance, she stated,

_I play sports types of game-based English e-books with my boyfriend. In the beginning, I didn’t really enjoy playing those types, but gradually I stopping feeling bad when competing with him. The reason is I can leave any time when I feel uncomfortable._ (Amy, 22, female, undergraduate student)

Totally, the clear distinctions between masculinity and femininity are now getting blurred and overlapping when playing digital game-based English e-books.

5. Conclusions

Gender stereotypes, as encapsulated in cultural values and social norms enforced through what are considered acceptable digital game play preferences, were found to be declining in the gathered data. Traditional gender stereotypes show that men select games on the basis of achievement or goal-orientations, which are seen as masculine images, while women tend to be involved in social relationship games, which are regarded as care-giving or feminine images (Yee, 2007). In the data, it was determined that young Taiwanese females are willing to face their weaknesses (e.g., not smart enough), thus jumping outside the traditional framework where cultural values and social norms have cultivated them to believe what women should be like. More importantly, they can be liberated from these traditional gender values (e.g., females as inferior to males) and compete with men and challenge men in the so-called masculine games such as achievement, imagination, or simulation. Some female informants did not mind constructing sporty or competitive images in digital sports and adventure game play. As a result, the clear distinctions between masculinity and femininity are becoming more blurred because many young males and females are now involved in playing digital game-based English e-books as seen from this research. Digital game-based English e-books provided a good environment for the informants, particularly for the females, where they could maintain their original game type preferences, develop their brains to guide active movement, and further explore themselves as individuals both freely and safely and more effectively. Eventually, it is suggested that digital game-based English e-book playing is a valuable component for bridging the gender gap.

Acknowledgment

Dr. Chih-Ping Chen is assistant professor of marketing in the College of Management at Yuan Ze University, Taiwan. Her current research interests include cultural study, gender issues, and consumer behavior.

References


Effect of Brand Attachment on Brand Citizenship Behaviour in China: Nike’s Case

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Abstract:

The objective of this study is to examine the effect of brand attachment on brand citizenship behaviour in China. The researchers adopt a six-dimension framework of brand attachment and explore five categories of brand citizenship behaviours, including three types of word-of-mouth intentions, participation in branding, as well as retention. A quantitative survey is designed and 362 valid questionnaires are collected, followed by a SEM (Structural Equation Modelling) analysis on testing the relationships between different dimensions of brand attachment on defined brand citizenship behaviours. In general a positive relationship is supported between brand attachment and brand citizenship behaviours. In the exploration of the different direct effects, (1) brand identity, social bonding, affective attachment, and brand experience are found to have direct impact on different types of word-of-mouth behaviours; (2) brand identity, social bonding, affective attachment, and brand expectation are found to be influencing brand participation behaviour; and (3) brand dependence and brand expectation are found to affect retention behaviour. Implications are further suggested and discussed.

Keywords: Brand attachment; Brand citizenship behaviour; Word-of-mouth; Structural equation modelling

1. INTRODUCTION

Creating attachment to a brand for existing and potential customers is becoming an effective means to enhance customer-brand relationship. Fournier (1998), Fournier and Alvarez (2012), and Kervyn, Fiske, & Malone (2012) proposed that the relationship between customer and brand is highly alike to how human beings build relationships between each other. The strong attachment to a brand indicates a private relationship between customers and brands and may further lead to developmental commitment (Fournier, 1998), energetic word-of-mouth behaviour (Sommerfeld & Paulssen, 2008), and apparently loyalty (Thomson, MacInnis, & Park, 2005). More specifically, brand attachment can be extended beyond customer-brand relationship. For instance, increasing number of customers associate a brand to themselves because the personality of these brands also represent who they are (i.e., an identity basis) (Mittal, 2006).

Previous research on brand attachment has indicated that customers possibly prefer to keep purchasing on a same brand when they have developed attachment to this brand (Park, MacInnis, Priester, Eisingerich, & Iacobucci, 2010). Researchers in different research realms in addition discover the potential of attachment on motivating the generation of word-of-mouth (WOM) behaviours (Chen, Dwyer, & Firth, 2014). In internal marketing, brand commitment is considered as a key factor influencing employees’ brand citizenship behaviour intentions (e.g. Morhart, Herzog, & Tomczak, 2009). A number of research takes an angle to look at a specific group referred as brand ambassadors, and explores how brand ambassadors would influence other potential customers in a general C2C communication context, (e.g. Andersson & Ekman, 2009; Berry & Parasuraman, 1991; Keaveney, 1995; Lovelock & Young, 1979; Lovelock, 1983; Zeithaml, Berry, & Parasuraman, 1993). However, little research put the emphasis on how different aspects of attachment will lead to certain brand citizenship behaviours.
To fill in this research gap, this study adopts the dimensionality of brand attachment from a similar concept, place attachment, and aims to examine how different dimensions of brand attachments affect brand citizenship behaviours for Chinese customers. Based on a literature review in relevant research areas, hypotheses are developed on the different paths between dimensions of brand attachments and different brand citizenship behaviours, including WOM, retention, and participation in branding activities. Subsequently, an empirical study based in China is described, including the research methodology, and a description of the questionnaire and sample design. Finally the findings are presented and relevant theoretical and managerial implications are discussed, as well as suggestions for further research.

2. CONCEPTUAL FOUNDATIONS

2.1 Brand Attachment

Brand attachment is defined as a dynamic bond that illustrates the connection between consumers and brands (Chen, 2012). Brand attachment has been discussed in various contexts. Chen (2012) develops this concept adopting research from environmental psychology and interaction studies. It is suggested research on attachment can be divided into two streams: (1) The first stream of research (research in environmental psychology) considers attachment as an outcome of an individual’s evaluation and attitude towards an entity based on his/her knowledge and experience with this particular entity, such as a place; (2) The second stream of research (research in interaction) ascribes the bond formed by an individual to something to the meaning given to this object through interactional processes. The six dimensions discussed are (1) evaluation based: brand identity, brand dependence, affective attachment, and social bonding; (2) interaction based: brand experience and brand expectation.

*Brand identity* is conceptualized in terms of the identification process between the self and a brand. It is considered as the outcome of the brand identification process, which is a process which individuals come to define themselves partly in terms of a collective’s identity (Albert, Ashforth, Barker, Dukerich, Elsbach, Glynn, Harquail, Kramer, & Parks, 1998; Ashforth, Harrison, & Corley, 2008; Ashforth & Mael, 1989). According to theories of social identity and organizational identification, consumers’ identification with a company is an active, selective, and volitional act motivated by the satisfaction of one or more self-definition needs (Bhattacharya & Sen, 2003; Dutton, Dukerich, & Harquail, 1994).

*Brand dependence*, rooted in transactional theory, refers to a functional attachment to a brand which reflects the importance of a brand in providing features and conditions that support specific goals or desired activities beyond consumption (Williams & Vaske, 2003). This construct is comparison based. It is stated that the ability of an individual to make judgments on how well a brand meets his/her functional needs depends largely on developing a frame of reference through experience (Backlund & Williams, 2003).

*Affective attachment* refers to the affective dimension of individual-brand attachment. According to Jorgensen and Stedman (2001), affective attachment contains emotional content explicitly and the affective relationship between consumers and a brand goes beyond cognition, preference, or judgments. In addition, affective attachment involves interplay of affect and emotions, knowledge and beliefs, and behaviours and actions in reference to a brand (Altman & Low, 1992).
A *social bonding* dimension is proposed by Kyle, Graefe, and Manning (2005), based on work in the environmental psychology literature (Hidalgo & Hernández, 2001; Altman & Low, 1992; Mesch & Manor, 1998). Social bonding refers to social relationships between individuals and individuals, individuals and community, and individuals and culture (Altman & Low, 1992). This social dimension of brand attachment takes the C2C interactions in brand relationships into considerations, extending the concept to be more fit in contemporary marketing environment.

From interactions research, two dimensions of brand attachment are proposed to illustrate customers’ past experiences and future expectations of a certain brand: (1) *brand experience*, or the memories of interactions associated with a brand, (2) *brand expectation*, or the future experiences perceived as likely to occur of a brand (Milligan, 1998). These two interaction based dimensions look into the brand relationship from a customer engagement perspective, rather than being limited to transactions with the brand.

### 2.2 Brand Citizenship Behaviour

In internal marketing, Morhart, Herzog, and Tomczak (2009) indicate that brand building/citizenship behaviours can be classified into three categories: retention, in-role citizenship behaviour, and extra-role citizenship behaviour. This framework of behaviours is applied in this research to explore customers’ brand citizenship behaviours including retention, as well as WOM and proactive participation (equivalent to the extra-role citizenship behaviour of employees).

Specifically, *WOM* in this study is classified into three types: one-to-one WOM, which refers to that generated by one person and communicated to another person or a small group of people in private, such as WOM through conversation with family or friends via emails, instant messaging, telephone, etc; Many-to-many and one-to-many WOM relate to situations where residents may use Web 2.0 social media websites such as Facebook and twitter, as well as online communities such as TripAdvisor to influence a customer’s service brand choice (Tussyadiah & Fesenmaier, 2009; Xiang & Gretzel, 2010). Consumer *retention* can be described as an attitudinal reaction headed for a product or brand from previous studies. It is equivalent to repeat purchase behaviour discussed in consumer behaviour studies. *Participation* in branding by customers is categorised as empowered customers’ involvement in the design, development, and promotion of the brand. Customers who are strongly attached to a particular brand tend to consider themselves as the brand ambassador and would like their opinions and suggestions to be considered by the brand managers.

### 2.3 Hypotheses

The relationships between different dimensions of attachment and different types of brand citizenship behaviours are established based on similar propositions in consumer behaviour studies, such as that in organisational studies, brand loyalty and commitment studies, as well as place attachment studies. Many researches support this bond-behaviour relationship in different disciplines and research scopes. For instance, in tourism research, Choo, Park, and Patrick (2011) study and discuss residents’ voluntary behaviours to assist in promoting their resident place as a tourism destination, suggesting that residents would like to show hospitable attitudes and behaviours if they feel a sense of belonging and identify themselves with their places. From previous literature, hypotheses are proposed as follows:

**H1**: *Brand identity, social bonding, affective attachment, and brand experience* have a positive influence on WOM intention.
$H2$: Brand identity, social bonding, affective attachment, and brand expectation have a positive influence on brand participation behaviour.

$H3$: brand dependence and brand expectation have a positive impact on brand retention.

![Proposed Structural Model](image)

**Figure 1: Proposed Structural Model**

Based on these hypotheses, a structural model is established as illustrated in Figure 1.

## 3. RESEARCH METHODOLOGY

### 3.1 Data Collection and Measurement

A survey approach was employed to test the hypotheses. Data was collected from different cities in China. Most of the items selected in the questionnaire are from past research which has been shown able to be reliably applied to a different context. This study used a stratified sample of 362 customers who have used or are using Nike product. The survey was conducted from November 2014 through March 2015. Data was analysed using IBM® SPSS® Statistics 22.
and IBM® SPSS® Amos 22 software. Structural Equation Modelling (SEM) was used to identify relationships among the constructs in the hypotheses.

The measurement of brand attachment in this study is adopted from Chen, Dwyer, and Firth’s (2014) place attachment dimensionality and scales. The measurement of WOM intention is applied from different empirical studies in different research realms. Arnett, German, & Hunt (2003) developed a three-item scale to examine the general WOM. This measure was applied by Morhart, Herzog, & Tomczak (2009). In the present study, this measure was applied to test one-to-one WOM behaviour intention. In addition two three-item scales on retention and participation were replicated from the same study, and the retention scale was reversely coded as intention to switch. One-to-many and many-to-many WOM measurements were respectively adopted from Hsu, Ju, Yen, and Chang (2007) and Lu, Lin, Hsiao, and Cheng (2010).

3.2 Data Analysis and Results

This study used a random sample of 362 Chinese customers from mainland China who have used or are currently using Nike product. The demographic profile information of the respondents is listed in Table 1.

<table>
<thead>
<tr>
<th>Sample Size (n)</th>
<th>301</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (Mean, SD)</td>
<td>(26.51, 6.647)</td>
</tr>
<tr>
<td>Length as Nike customers (in years) (8.87, 5.016)</td>
<td></td>
</tr>
<tr>
<td>Gender %</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>37.6</td>
</tr>
<tr>
<td>Female</td>
<td>62.4</td>
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<tr>
<td>Bachelor degree</td>
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</tr>
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</tr>
<tr>
<td>Certificates</td>
<td>0.3</td>
</tr>
<tr>
<td>High school or less</td>
<td>3.9</td>
</tr>
<tr>
<td>Income %</td>
<td></td>
</tr>
<tr>
<td>&lt;¥ 20K</td>
<td>40.9</td>
</tr>
<tr>
<td>¥20K to ¥49,999</td>
<td>17.7</td>
</tr>
<tr>
<td>¥50K to ¥99,999</td>
<td>22.9</td>
</tr>
</tbody>
</table>
First confirmatory factor analysis (CFA) was conducted to test the validity of the indicator variables. Thereafter, Structural Equation Modelling (SEM) was used to identify relationships among the constructs in the hypotheses. A confirmatory factor analysis with maximum likelihood (ML) estimation was conducted on the data to verify demonstrate convergent, discriminant, and predictive validity of the brand attachment, different types of WOM, and the other constructs (Byrne, 2001). The model fit of the measurement is tested prior the structural model testing. Goodness-of-fit indices of the measurement model as well as the structural model are illustrated in Table 2. Due to the limited sample size and the large number of constructs, the $\chi^2$/df statistics are relatively high. However in general other different statistics of the goodness-of-fit indices (e.g. SRMR, RMSEA, CFI, NFI, and IFI) indicate good model fits for both the measurement model and the structural model.

<table>
<thead>
<tr>
<th>Size</th>
<th>$100K to $199,999</th>
<th>$200K to $499,999</th>
<th>$500K or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.0</td>
<td>3.9</td>
<td>1.7</td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Goodness-of-Fit Indices of the Measurement Model

<table>
<thead>
<tr>
<th>Size</th>
<th>$100K to $199,999</th>
<th>$200K to $499,999</th>
<th>$500K or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.0</td>
<td>3.9</td>
<td>1.7</td>
<td></td>
</tr>
</tbody>
</table>

The standard coefficients and statistical significance of parameter estimates are shown Table 3. Due to the high correlations between constructs of brand identity, affective attachment, and social bonding, these three constructs are combined as one in the structural model to generate standardised coefficients. Examination of the structural parameter estimates for the model indicates that all proposed relationships are evident since the parameters are statistically significant. All t values are outside the threshold range of ±1.96 to be considered significant (Byrne, 2001), as well as indicated by p values of these coefficients.
### Table 3: Structural Model Analysis

<table>
<thead>
<tr>
<th>Direct Effects on</th>
<th>Standard Path Coefficient (β)</th>
<th>t Value</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>One-to-One WOM</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Identity/Affective Attachment/Social Bonding</td>
<td>.352***</td>
<td>5.670</td>
<td>.124</td>
</tr>
<tr>
<td>Brand Experience</td>
<td>.543***</td>
<td>8.803</td>
<td>.295</td>
</tr>
<tr>
<td><strong>One-to-Many WOM</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Identity/Affective Attachment/Social Bonding</td>
<td>.463***</td>
<td>6.872</td>
<td>.214</td>
</tr>
<tr>
<td>Brand Experience</td>
<td>.401***</td>
<td>6.112</td>
<td>.161</td>
</tr>
<tr>
<td><strong>Many-to-Many WOM</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Identity/Affective Attachment/Social Bonding</td>
<td>.415***</td>
<td>6.242</td>
<td>.172</td>
</tr>
<tr>
<td>Brand Experience</td>
<td>.452***</td>
<td>6.923</td>
<td>.204</td>
</tr>
<tr>
<td><strong>Retention</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Dependence</td>
<td>-.241**</td>
<td>-2.719</td>
<td>.058</td>
</tr>
<tr>
<td>Brand Expectation</td>
<td>-.147*</td>
<td>-1.673</td>
<td>.022</td>
</tr>
<tr>
<td><strong>Participation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Identity/Affective Attachment/Social Bonding</td>
<td>.445***</td>
<td>6.132</td>
<td>.198</td>
</tr>
<tr>
<td>Brand Expectation</td>
<td>.410***</td>
<td>5.640</td>
<td>.168</td>
</tr>
</tbody>
</table>

(*p < 0.05, **p < 0.01, ***p < 0.001)

### 4. DISCUSSIONS, CONCLUSIONS AND IMPLICATIONS

In this study, the six-dimension brand attachment measurement is tested to be feasible, and WOM behaviours and intentions are categorised into three types to illustrate WOM in different forms and on different platforms. These frameworks are supported by the statistics.

First of all, the factor loadings for each constructs included in the study were satisfactory. All loadings from the items included were larger than 0.76, indicating a satisfactory degree of reliability. Secondly, all hypotheses were tested and supported by the sample with significant outer loading and coefficients. Most significant levels are lower than 0.001 while some are at 0.01 levels and 0.1 levels, suggesting significant relationships found in the sample between tested constructs.

In general, the results illustrate a strong positive and direct relationship between brand attachment and different brand citizenship behaviours. A second alternative model is in addition tested to explore the general indication from brand attachment to WOM, retention, and participation, and all these relationships are found significant at p. < 0.001. The results support the proposition of the bond-behaviour relationship in brand attachment context, and provide a theoretical and empirical basis to support practitioners to finds means to motivate loyal and attached customers on different behaviours which may benefit brands.
From the empirical study, *brand identity, social bonding, affective attachment, and brand experience* are found to be significantly affecting different types of WOM behaviours. This is to some extent consistent with Chen, Dwyer, and Firth’s (2014) findings on the impact of place attachment on WOM behaviour in the study of Shanghai residents. The results suggest that for Chinese customers, how strong an individual identify a brand will significantly influence how possibly he/she would mention this brand in conversations as well as on social media. For branding managers, it is clear that an emphasis should be taken on enhancing the identity fit between their brands and customers, as well as promoting a brand personality which is perceived popular and adoptable by customers. Similarly, helping customers to build brand community to interact and socialise with other customer and stimulating customers’ emotional arousal can both help brands motivate customers to “talk up” the brands. In addition, creating unforgettable experiences with customers is also quite useful in encouraging “passing on the right word”.

*Brand identity, social bonding, affective attachment, and brand expectation* are found to be influencing *brand participation* behaviour. This finding is consistent with the study on Chinese students’ attitude toward participation in tourism activities in Sydney by Chen, Dwyer, and Firth (2015). They find these Chinese students’ affective attachment to and expectations on Sydney as a resident place have a direct effect on how much they are willing to help tourists in tourism encounters. For brand managers, assisting in customers’ identification process with the brand, creating socialising opportunities and receiving positive emotional responses from customers via brand activity designs, as well as promising great future of the brand may attract customers to be more actively involved in the development of the brand.

Lastly, *brand dependence and brand expectation* are found to affect *retention* behaviour in this study, suggesting brands still need to emphasise on maintaining and constantly improving the quality of the product and the brand to take a better place in the competitive market. This remains the key to reduce customer defections.

Future research may be taken to compare customers and brands in different cultures on what role brand attachment may play in motivating different types of brand citizenship behaviours.
References


The Impact of Personal Connection on Customer Behaviours (Word-of-Mouth Intention and Retention) in Service Encounters

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*Corresponding author: Dr Ning (Chris) Chen E-mail: cchen@lincoln.ac.uk

Abstract:
In services marketing it is widely acknowledged that a relationship approach may facilitate in customer retention and enhance customer loyalty, and further influence customer post-purchase behaviours e.g. word-of-mouth. In this study, a specific relationship in service encounters, personal connections between customers and service employees, is explored in its indications on customers’ three types of word-of-mouth behaviour intention and retention. The study takes China as the context and conceptualise personal connection according to an equivalent concept “Guanxi” studied in marketing and management scope within Chinese culture. A three-dimension framework of “Guanxi” including Ganqing (strength of personal connection), Xinren (trust), and Renqing (exchange of Social Capital) is applied to test potential effect of personal connection on different behaviours and intentions. The empirical study includes a quantitative survey on 301 service customers in China, and a Partial Least Square approach is applied to analyse the data. Xinren is found significantly positively influencing all behaviours and intentions, and Ganqing and Renqing are found to be affecting different types of word-of-mouth behaviour. It is interesting to find that Renqing has a negative effect on retention, suggesting that owing Social Capital to service employees becomes a burden to customers resulting in their intentions to defect.

Keywords: Personal Connection; Guanxi; Word-of-Mouth; Retention; Partial Least Square

1. INTRODUCTION

Building up a strong relationship with customers has been accepted by industries and academic as an important approach to retain customers in services. The longer a company maintains a relationship to its profitable customers, the more profit can be earned by means of it (Turnbull, Ford, & Cunningham, 1996). Long-term relationships generally profit companies (Reichheld & Sasser, 1990). High customer loyalty and low churn rates ensure the long-term business success and thoroughly loyal customers are the ultimate driver of a positive business development (Edvardsson, Johnson, Gustafsson, & Strandvik, 2000; Reichheld, 2004; Peppers & Rogers, 2005; Nerdinger & Neumann, 2007; Kotler, Keller, Brady, Goodman, & Hansen, 2009; Chen, Shen, & Liao, 2009; Huba, 2013).

Companies can take a more personal approach in establishing the relationships with customers, i.e. via building up personal connections between service employees and customers. Loyalty arises between two people much easier than between anonymous companies. Familiarity breeds sympathy - and thus willingness to buy. Trust takes time. It grows out of familiarity and is constructed by closeness and interpersonal conversations with a well-known person (Rus, 2005). A large part of research in the services literature has acknowledged the important of trust in maintaining satisfactory customer-service provider relationships (Crosby, Evans, & Cowles, 1990; Doney & Cannon, 1997; Dorsch, Swanson, & Kelly, 1998).
A service provider-customer relationship can be crucially beneficial to service providers: it would ensure revisiting customers who require lower costs compared to obtaining new customers; it may encourage loyal existing customers to pass on positive word-of-mouth or recommendations to potential customers. In consequence, the most interesting questions arising are most likely: What effects have personal connections on customer loyalty, and further on word-of-mouth intention as well as customer retention?

Previous research in services marketing and customer relationship management has focused on how to foster a service provider-customer relationship from a management or marketing perspective taking the company/brand and customers into considerations. However, not many research have been done to study the personal connection and bond between a customer and one service employee or staff working for the service company/brand. In fact, personal connection may have a significant influence on the service provider-customer relationship, such as in the cases of choosing a hairdresser, lawyer, babysitter, or a cleaner. Having identifying a gap in the lack of research in this field, this study aims to understand how the existence of personal connection or bond will influence a customer’s intentions in generating positive word-of-mouth in different circumstances, as well as his/her retention intention.

To set up the study context, the article starts with a literature review on personal connection (in the focus on the concept of “Guanxi” in Chinese culture), word-of-mouth intention and retention. Hypotheses are developed based on the conceptualisation of personal connection, word-of-mouth behaviours, and retention. Subsequently, an empirical study based in China is described, including the research methodology, and a description of the questionnaire and sample design. Finally the findings are presented and relevant theoretical and managerial implications are discussed, as well as suggestions for further research.

2. CONCEPTUAL FOUNDATIONS

2.1 Personal Connection

Some research can be found in discussing how personal connections in services can positively influence on customers’ perceptions and evaluations of the services. Coulter and Coulter (2002) find that in the early stages of a particular service relationship, “person-related” service provider characteristics (i.e. politeness, empathy, and similarity) have a greater influence on trust. Furthermore, as time passes by service representatives do not only need to be perceived as extremely competent in their ability to deliver the basic service package but also must be accompanied by timely and reliable delivery and individual product customisation.

In China, this personal relation/connection is defined as “Guanxi” in three aspects as follows in the Modern Chinese Dictionary (1998): (1) a statement of common functions and related impacts amongst things and (2) the networks on clear natural objects between two individuals or groups, (3) connections or participation. Guanxi contains that to make use of close links and associates, a network of intermediate to support the common business behaviours within the business circumstance (Bruun, 1993). Existing literature suggests that the guanxi conception is related to three constructs ganqing, renqing and xinren, (Hwang, 1987; Jacobs, 1979; Wang, 2007) which give an index to the quality of guanxi (Kipnis, 1997). Ganqing can be explained as “sensation” in English which including attachment, affection, and sentiment. It is a phenomenon that shows the sense of a certain communal relationship among each single person or between two groups, also an emotive addition that has occurred amongst members in a network (Wang, 2007). Renqing in the Chinese background is parallel to a favour or Social Capital maintaining (Wong & Leung, 2001) that could be delivered and established as a deal (Wang, 2007). Renqing is a compounded concept that includes courtesy exchanging and reciprocity principle (Hwang, 1987; Luo, 2001). The more of favours exchanged, the closer relationship of the two parties gets. That is the reason why Renqing is based on long-term reciprocity. Xinren can be explained as credit, belief,
dependence, trust conceptions combined together of guanxi. In the category of business relationship, Xinren takes time
to build which by the way of communication, participating business activities, favour exchanging within a certain
network (Wong & Chan, 1999).

2.2 Word-of-mouth (WOM)

The first type of WOM in this study refers to that generated by one person and communicated to another person or a
small group of people in private, such as WOM through conversation with family or friends via emails, instant
messaging, telephone, etc. This type of WOM is referred to as one-to-one WOM. This contrasts with two other types of
WOM behaviour. Many-to-many and one-to-many WOM relate to situations where residents may use Web 2.0 social
media websites such as Facebook and twitter, as well as online communities such as TripAdvisor to influence a
customer’s service brand choice (Tussyadiah & Fesenmaier, 2009; Xiang & Gretzel, 2010). A group of motivations has
been identified from previous studies. For instance, Anderson (1998) suggests the disconfirmation of consumption-
related expectations may motivate WOM communication; Sundaram, Mitra, & Webster (1998) stress that there is a
difference in motivating positive WOM and negative WOM; other motivations have also been identified such as
involvement (Dichter, 1966), altruism (Sundaram, Mitra, & Webster, 1998), self-enhancement (Engel, Blackwell, &
Miniard, 1993). The applications of these findings to services marketing have not been validated, while empirical
examples suggest the discussion on the motivation in generating positive WOM for a service may be more complex.

2.3 Retention

Consumer retention can be described as an attitudinal reaction headed for a service company or a product brand from
previous studies. It is believed that consumers more truthfully recollect information that relate to their culture
background, educational stage and interests, standards and beliefs, than those that are different with their beliefs and
opinions, picking out the messages which to save in the memory, reducing the amount of information (Arndt, 1967 cited
in Carl, 2006).

2.4 Hypotheses

From previous studies, the nature of Guanxi is similar to social bonding. The impact of Guanxi to consumer behaviour
can draw on the experience of social bonding. Therefore, a high level of Guanxi with a brand leads to high behaviour
intention related to a brand such as retention and word of mouth. It is suggested that Ganqing, Renqing and Xinren have
different impact on these behaviours. As the intimate dimension of Guanxi, Ganqing is hypothesised to have a positive
influence on word-of-mouth behaviour in private conversations, while Renqing as a form of favour exchanging may
have a positive effect on word-of-mouth intention in a more public context. As to retention, Guanxi is in general
considered to be positively influencing customers’ intention to stay with the service provider. However, the owing of
Renqing (Social Capital) may lead to difficulties in expressing authentic opinions for customers especially when these
opinions are negative or critical. When customers feel not able to be straightforward they may choose to defect. Hence
the hypotheses are:

\[ H1: \text{There is a positive relationship between Ganqing and one-to-one WOM intention.} \]
**H2:** There are positive relationships between Xinren and all types of WOM intentions.

**H3:** There are positive relationships between Renqing and one/many-to-many WOM intentions.

**H4:** The more Xinren there is, the less a customer intends to switch services.

**H5:** The more Renqing there is, the more a customer intends to switch services.

### 3. RESEARCH METHODOLOGY

#### 3.1 Data Collection and Measurement

A survey approach was employed to test the hypotheses. Data was collected from different cities in China. Most of the items selected in the questionnaire are from past research which has been shown able to be reliably applied to a different context. This study used a stratified sample of 301 customers who have used a certain service. The survey was conducted from November 2014 through March 2015. Data was analysed using Smart PLS software. PLS based Structural Equation Modelling (SEM) was used to identify relationships among the constructs in the hypotheses.

Previous research on WOM has used a single-item Likert-type scale to assess the effectiveness of WOM (Swan & Oliver 1989; Singh 1990; Danaher & Rust 1996). Another main stream of research on WOM measures the intention of WOM instead of actual action (Danaher & Rust, 1996). The measurement of WOM intention in this study is applied from different empirical studies in different research realms. Arnett, German, & Hunt (2003) developed a three-item scale to examine the general WOM. This measure was applied by Morhart, Herzog, & Tomczak (2009). In the present study, this measure was applied to test one-to-one WOM behaviour intention. In addition a three-item scale on retention was replicated from the same study, and the scale was reversely coded as intention to switch. One-to-many and many-to-many WOM measurements were respectively adopted from Hsu, Ju, Yen, and Chang (2007) and Lu, Lin, Hsiao, and Cheng (2010). Yen, Barnes, and Wang’s (2011) GRX scale was applied to test the dimensions of Guanxi.

#### 3.2 Data Analysis and Results

This study used a random sample of 301 Chinese customers from mainland China who are currently using a service. The demographic profile information of the respondents is listed in Table 1.

<table>
<thead>
<tr>
<th>Sample Size (n)</th>
<th>301</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>18–25</td>
<td>26</td>
</tr>
</tbody>
</table>
The standard coefficients and statistical significance of parameter estimates are shown in the structural model (see Figure 1). Examination of the structural parameter estimates for the model indicates that, the path from Ganqing to one-to-one WOM, the paths from Renqing to one-to-many and many-to-many WOM, and the paths from Xinren to all three WOM are evident since the parameters are statistically significant. The path from Xinren to retention is statistically significant and the coefficient is negative. This is because retention is negatively coded in the questionnaire and measurement. In addition, the path from Renqing to retention is statistically significant and the coefficient is positive. All t values are outside the threshold range of ±1.96 to be considered significant (Byrne, 2001).

<table>
<thead>
<tr>
<th>Age Group</th>
<th>%</th>
</tr>
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<tbody>
<tr>
<td>26–35</td>
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</tr>
<tr>
<td>36–45</td>
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<td>46–55</td>
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<table>
<thead>
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<table>
<thead>
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<th>Education</th>
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</tbody>
</table>
4. DISCUSSIONS, CONCLUSIONS AND IMPLICATIONS

In this study, WOM behaviours and intentions were categorised into three types to illustrate WOM in different forms and on different platforms. Different dimensions of Guanxi were found having different influences on the outcome constructs i.e. the behaviour intentions.

First of all, the factor loadings for each constructs included in the study were satisfactory. All loadings from the items included were larger than 0.7, indicating a satisfactory degree of reliability. Secondly, all hypotheses were tested and supported by the sample with significant outer loading and coefficients. All t-values were found larger than 2.3 and some were up to 7, suggesting significant relationships found in the sample between tested constructs.

In general, the results illustrate a strong positive and direct relationship between personal connection (i.e. Guanxi in this study) and different post-purchase behaviours including WOM and retention. The results are consistent with previous research on the focus of relationship approaches in services marketing. In addition, strong relationships were found between different dimensions of Guanxi and different dimensions of WOM. The findings suggest that Ganqing as an intimate dimension of personal connection remains a key factor to influence how a customer talks up his/her service experiences in a private conversation, and that Renqing has a significant effect on how a customer positively mentions the service in public as a form to return the favour. Xinren or trust remains a key factor to generally motivate customers to generate positive WOM on different platforms, which is consistent with previous consumer research in services marketing. These results suggest that Chinese service providers may foster personal attachment between existing customers and service staff to encourage referral, and give out small favours to customers to motivate them in generating positive comments and mentions on social media and group conversations as an alternative C2C communication campaign. On top of these, trust between customers and service providers have a crucial effect on how much customers are motivated in C2C communications.

In addition, Xinren (trust) is significantly important in the decision whether to switch to a new service provider for customers. The implication is clear: for service providers to build up trust remains the first priority in retaining existing customers.
customers. On the other hand, the negative relationship between Renqing and retention needs more attention from both Chinese academic and service industries. A service provider needs to balance on doing favours for customers to keep them grateful, while not scaring them away by giving out too much.

Future research may be taken to explore why the relationship between Renqing and retention is negative, and to compare customers and service industries in different cultures on what role personal connection may play in motivating behaviours.

References


Rural Tourism Clusters in Russia: 
Case of Bogdarnya\textsuperscript{16} and some items of research

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Abstract:

In 2008, the Russian government adopted the Concept of cluster policy in the Russian Federation, laying the cluster approach at the heart of the regional development strategy. Since then, there have been significant changes in the Russian local tourism market, including the development of rural tourism clusters across the country, some of them being quite successful. Still, the formation of clusters of rural tourism in Russia is facing a number of problems. The purpose of the paper is to discuss the problems and prospects of rural tourism development in Russia. The case of Bogdarnya rural tourism cluster in the Vladimir region is presented, with the focus on marketing issues facing rural tourism in Russia. In addition, the logical-graphic model of a rural tourism place in canvas of users/investors attraction is proposed for the purposes of conceptualizing and rationalizing further studies in the field of the rural tourism development. Keywords: logical-graphic model, marketing, approach, rural tourism, tourism clusters, Russian tourism industry

1. INTRODUCTION

Underdevelopment of Russian tourism industry for a long time is a common place of many home and overseas papers and researches (e.g., Barentz Tourism…, 2013; Karmanova et al., 2015). However, in the same time the Russian tourism market has huge potential. There are 35 national parks and 84 forest reserves in Russia situated in different climatic zones, extremely diverse flora and fauna offers unique opportunities for ecological tours and rural tourism. Many Russian regions offer outstanding experiences for ecotourism and adventure tourism (Balaeva et al., 2012; Aleksandrova et al., 2014). Besides, there are dozens of so-called museum-reserves situated in picturesque places linked with famous and worldwide known names of Russian writers, poets, artists, etc. e.g., Alexander Pushkin and Pushkin Reserve Trigorskoye (See: \url{http://pushkin.ellink.ru/reserve/res3.asp}).

Russian Government recently initiated a Federal target program called “The Development of Internal and Incoming Tourism in the Russian Federation (2011 - 2016)”. The Program aims to attract additional investments into the Russian tourism

\textsuperscript{16}Bogdarnya is a small Russian rural tourism cluster in the Vladimir region, not so far from Moscow.
business, and to improve the quality of tourism services assuming a public-private partnership. Strategies for the development of sustainable tourism are now subject of attention of many local authorities (Aleksandrova et al., 2014).

Due to involvement in business of such “free” resources as local landscape and climate, as well as historical memory and cultural values, the rural tourism is in focus of local authorities. To prevent a chaotic development of rural tourism development it is important to analyze the role of cluster theory and its applications, taking into account the relevant overseas experience. A considerable set of tourism clusters or like-cluster space-organizational forms (Lagos, Courtis, 2008) and tools for their creation/promotion (Benner, 2013) is presented for the last decade.

2. LITERATUREREVIEW

2.1. Clustering in rural tourism: worldtrends

Nowadays, clusters play an important role in regional development all over the world. There is a growing number of publications investigating networks and clusters development in different sectors of the world economy, including tourism clusters (Porter, 1998, 2000; Jackson, Murphy, 2006; Novelli et al., 2006; Bode et al., 2010; Bergenholtz, Waldstrøm, 2011; Grimstad, 2011; Hsieh, Lee, 2012; Bek et al., 2013; Aleksandrova et al., 2014).

A growing number of managers, policymakers and scholars all over the world tend to grasp the significant economic contributions from the. In recent literature, different aspects of clustering in tourism sector are discussed, including policy to promote tourism clusters (Jackson, 2006; Bernini, 2009; Benner, 2013). Making a cluster looks as a cumulative, self-reinforcing process supported by elaborating corresponding intra-cluster norms, regulations, and routines (Sheresheva, 2014). Thus, an important direction of academic research is examining tourism cluster as a kind of complex system which consists of many components of different size and functions (the stakeholders) connected in many possible ways which are typically dynamic and of nonlinear nature (Capone, 2006; Baggio, Cooper, 2010; Baggio et al., 2010; Sheresheva, Baggio, 2014).

Lack of awareness is a brake for development of rural tourism clusters in Russia. The complex approach in academic research is to be applied to rural tourism places to understand better a very sophisticated constellation of relevant local stakeholders and their interests and relationships.

2.2. Marketing issues

A marketing approach is considered as the most appropriate for rural tourism development (Progress…, p. 242). Clearly defined marketing strategy is crucial for sustainable development of contemporary tourism destination. All the marketing approaches need to be adjusted taking in account the network nature of clusters as geographically concentrated value-creating ecologies of organizations (Hearn, Pace, 2006). Place marketing is of high importance, since competition between places for economic development is becoming increasingly fierce in the global economy (Bramwell, 1998; Morgan et al., 2011; Ashworth, Goodall, 2012). Tourism destination should offer a set of quality products and services in order to attract and retain residents, tourists, inward investment and government grants (Bramwell, 1998; Kwon, Vogt, 2010; Lichrou et al., 2010; Gertner, 2011).
Relationship marketing approach is another paradigm growing in importance. There are clear incentives for cluster members to collaborate in different ways including joint marketing research, co-branding, exchanging experiences, taking part in exhibitions, developing and marketing complementary products in order to strengthen the access to new customers looking for special whole product, gaining consolidated image, “sizing up” when approaching new international customers (Sheresheva, 2011; Baggio, Sheresheva, 2014). Thus, there is a need in marketing strategy alignment. Local authorities, economic development agencies, tour operators and agencies, and many other structures, as well as local communities in the destination need to be actively engaged in joint marketing activities. Thus, relational assets built by tourism cluster stakeholders help them to strengthen their consolidated position and to co-create new value (Sheresheva, 2011). Finally, in the mainstream of marketing approach, the concept of marketing ecology (Majaro, 1998. p.41; Cherenkov, 2002) and comparative-analytical approach (Gale, 1987, p.54; Cherenkov, 2003, Ch. 9) are of great interest.

3. RURAL TOURISM CLUSTERS IN RUSSIA

3.1 The current situation in Russia

In 2008, the Concept of cluster policy in the Russian Federation was adopted by the Russian Government. According this Concept, the cluster approach is regarded as a pillar for sustainable development of industries and territories and as a tool to enhance their competitiveness. Five types of clusters are identified, including tourism clusters. Tourism and recreation clusters are defined as a set of interrelated organizations with recreational and cultural orientation (means of accommodation, catering and related services, equipped with the necessary providing infrastructure) in such Russian federal programs as “Development of domestic and inbound tourism in the Russian Federation in 2011-2018” and “Development of culture and tourism”. More than 40 high-level investment projects ready for implementation are included herein: e.g., Golden Gate in Altai; the North Caucasian tourism cluster, Big Volgocluster; tourism and automobile tourism cluster in Buryatia; the Silver Ring of Russia; the Golden Ring of Russia; Baikal region (where the famous Lake Baikal is listed in the world heritage List of UNESCO), etc.

In addition, place marketing is gaining in popularity. There are efforts aimed at branding not only the above mentioned territories but also such novelties as Fairytale Map of Russia, Sovereign Road, The Great Tea Road, Silk Road, etc. (Aleksandrova et al., 2014)

The first stage of our empirical study draws on the case method, which is the most appropriate if the main target of research is understanding and explanation. Some outputs of the case study of Bogdarnyatourism cluster in the Vladimir region (Golden Ring) are presented herein. To understand marketing issues in rural tourism in Russia, additional data was obtained by means of observation and analysis of relevant documents.

3.2 Bogdarnya rural tourism cluster: marketing issues

Bogdarnya is a small rural tourism cluster in the Vladimir region (the Small Golden Ring of Russia brand). It is an attractive place to relax for people from Moscow, St. Petersburg and other big cities, but also has a positive socio-economic effect for the said region. Bogdarnya has such poles of attraction as outdoor recreation, educational experience, entertainment, hospitality services, on-farm direct sales, etc. There is wide range of interrelated services: hospitality (arranging conferences, seminars, etc.), cultural/healthy (family vacation, visiting museums, eco-lessons, hiking), agrotourism (farming, husbandry), local meat and cheese sale (creamery, animal husbandry), etc.
All offers of Bogdarnya rural tourism cluster could be split into two main parts: ecoproducts and tourism activities. Therefore, main target audiences are different. Prospects of ecoproducts are restaurants, milk production companies, premium retailers and visitors with rather high income. The main users of touristic services could be foreign tourists just involved into famous Golden Ring route, foreign expats in Moscow and St. Petersburg, as well as local tourists searching for Russian nature and cultural traditions, horse riding, paintball activities.

Bogdarnya is relevant to current state programs for developing tourism and agriculture in Russia, so there are chances to use government support and promotion, including special mass media and exhibitions. It’s necessary to include Bogdarnya into Golden Ring tourist guides.

As meat and cheese production volumes in Bogdarnya are modest, may be, an online shop is the most suitable channel, with special discounts for those guests who has used Bogdarnya’s hospitality services and has attended one of its cultural programs.

Weekly outside classrooms are relevant to make children interested in environmental and cultural issues, as well as entertainment projects for students, including hiking, cultural workshops, etc. Thus, loyalty programs for schools and universities can be a good decision.

The main instruments of communication mix should be as follows:

- Internet: international and Russian tourism sites and forums devoted to active holidays, Golden Ring route, and eco products, including relevant groups in social networks.
- Tourism exhibitions in Russia and abroad, eco food exhibitions in Russia.
- Advertisement on the railroad and highway Moscow-Petushki-Vladimir.

The Bogdarnya web-site (http://bogdarnya.ru/#) is very informative, both in Russian and in English, with the online booking service. The main message of the said site is to transfer the philosophy of countryside life. To make this feeling more imaginable, the central part of each page of site takes photos of nature, Russian traditions, horses, folk festivals, etc.

Despite the fact that all services are available on site, more attention therein should be paid to discounts and loyalty programs offered. The link to the Bogdarnya site should be placed on relevant sites of travel agencies specializing on local tourism, or museum sites where the history of Vladimir city and Vladimir region is presented.

Still, our analysis has shown that the main problem facing Bogdarnya is lack of awareness how to establish relationships with relevant local stakeholders.

4. LOGICAL-GRAPHIC MODEL OF A RURAL TOURISM PLACE

Rural standard of living was much lower in the USSR and post-Soviet Russia than the urban life standard. As a result, rural tourism with its focus on the active participation in rural life is not yet very popular in Russia. Nevertheless, in recent years
a large flow appeared of publications focused on rural tourism prospects. Online request "rural tourism in the world" gives almost the same response as the online request "rural tourism in Russia" made in Cyrillic (551,000 and 364,000 in FEB 28, 2015, respectively). However, such an explosive growth of interest resulted in quite modest quality of many publications on rural tourism in Russia. We had no opportunity to make any panel analysis but it seems that the suggestion above has the right to exist. That is why we have centered our model (Appendix) on the axis “physical or geographical place” – its “virtual image” in Internet and in brains (so-called “public opinion”) and “place brand”.

We have decided to offer herein the logical-graphic model of a rural tourism cluster in canvas of users/investors attractions (Fig. 1). In fact, main tools of strategic marketing analysis were extensively used in researches on the rural tourism (e.g., Mahmoudi et al., 2011; Zhang, 2012; Dobrivojević, 2013). The same could be said about different theoretical models (e.g., Dragulanescu and Drutu (Ivan), 2012; Vázquez de la Torre et al., 2013; Raffai, 2013). However, we would like to consider that the model proposed herein has a distinct feature of so-called low-tech innovation (Antal, 2009; Cherenkov et al., 2014) from the viewpoint of the proper depressive region having hopes to use the rural tourism as a booster for regional development. Next feature of our model is the principal role of integrated marketing communication (Stancioiu, 2013). The matter of fact is, that the rural tourism prospects are not rather well-informed about attractions of such kind of tourism.

Today, when the “hunger” for foreign voyages is rather stilled and the exchange rate is drastically jumped up, there is a favorable situation in Russia to develop different forms of the domestic rural tourism. Local authorities supported by the state programs mentioned above and relevant local social groups (Lashchenko, 2015) have received now good opportunities to develop the places governed by them. The axis of the model under consideration has to show that the main concentration of efforts produced by rural tourism protagonists should be done in the field of creating the “Virtual Image of Rural Place”. In the Digital Era this suggestion does not demand any extensive arguments due to the cheapest as
well as the most informative and adaptive nature of web-sites. The countryside resources, denominated in the model as attraction poles (landscape/climate and historical/cultural ones) are factually free and it is quite sufficient tell about them. Such branding process should convert the Bogdarnyatoponym in Bogdarnya place brand. However, for many rural places main barrier for the said conversion is in logistics and accommodation items. Significant investments (Fleischer, Felsenstein, 2000) necessary to overcome such barriers could be sometimes by-passed for a time using “neighbor places of high tourism attraction” (Paris in the case of Eurodisney; Golden Ring of Russia in the case of Bogdarnya).

Leaving apart – in the frame of this paper – items of federal and local (regional) taxation/budgeting as well as items of rural tourism public private partnership (Sustainable…) we make an accent on relationships between investment and (straight arrows in the model). To arrange an autogenerating investment process the “critical mass” of visitor should be get to when the steadystate tourist flows will supply local tourism employment and ROI.

Factually, we consider this model as a skeleton for arranging complex researches on such rural tourism places like Bogdarnya with further using this model as a tool to be applied to studying other similar tourism places.
4. CONCLUSIONS AND FUTURE RESEARCH

Taking into account that such subjects as Bogdarnya – a small rural tourism place on the way of successful development – are rather complicated for researches we do hope to apply the model presented in brief herein not only to understand better the contemporary state and development perspectives of Bogdarnya, but to elaborate research tools for future researches.

The next step in applied using this model could be considered as creating the pattern for systemizing relevant data and designing a set of enquires devoted to study interests and attitudes of relevant stakeholders to the rural tourism place under consideration.

For this purpose we are planning to use a multidimensional version of the lead-lag analysis (Hollensen, 2007, p. 159) where one of successful Italian projects (Porcaro, 2009) should serve as a benchmarking instrument (with some apparent exclusions).

Then, we would like to highlight that under conditions of super-urbanization, threatening pressure of food preservatives and GM food, and environmental pollution as a whole these rural tourism places could play a role of beacons on the way “back to village” – the blue dream of ecologists. Therefore, there are a lot of reasons for detailed studying (suitable for) rural tourism places, and Bogdarnya is very interesting but only one milestone on this researching way.

References


Aleksandrova, A., Sheresheva, M., Egorova, N. Tourism clusters in Russia: A network perspective,


Understanding Value Co-Creation In A Logistics Network Through A SD Logic Perspective. The P&G Case Study

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Abstract:

In current highly competitive markets, co-creation logics are gaining interest also in specific industry such logistics is. This paper analyses how the theoretical perspective of Service Dominant (SD) Logic contributes to make the traditional Supply Chains an innovative value co-creation networks. The study aims to better understand logistics value co-creation and how this phenomenon contributes to a supply chain network creation, development, and maintaining. A cross-disciplinary literature review on Logistics, Supply Chain Management (SCM), Service Science and SD Logic appliance to logistics has been conducted in order to integrate the existing knowledge on co-creation and stakeholders’ participation in a specific logistics context. The Procter and Gamble logistic organization case study is given to show how these processes can make logistics networks stronger and much more integrated than ever. This paper offers some interesting insight on co-creation influence on logistics networks development, management, and maintaining. However, the study is somewhat limited by the analysis of a single case study and by the limited number of researches addressed to the appliance of co-creation logic to logistics networks.

Keywords: Co-creation, SD Logic, Logistics networks, service systems.

1. INTRODUCTION

The recent evolution of logistics has been based on a paradigm shifting that have moved the central focus from traditional tangible supply chain to intangible activities and processes such as: partnerships, relationships, networks, value-creation, and value constellations (Christopher, 2005; Lush, 2011; Wisner et al., 2015). Value (co)creation represents the essential foundation of Service Dominant (SD) Logic that considers value creation a relational process (Vargo and Lusch, 2004). Much of service logic literature states that co-creation is logically founded on a dyadic direct interaction between co-creating parties (Grönroos, 2008, 2011). In logistics, value creation is mainly based on customers’ service quality perception and services performed by providers. Consequently, to effectively respond to changing customers’ needs, logistics managers should constantly and proactively update their offering involving customers and stakeholders in service design and provisioning. To achieve this goal, logistics activities must be reorganized according to network theory foundations, in order to gain a better communication and interaction between actors. In recent years, the new concept of “value network” has been defined as a collaborative network that involves several actors in value creation. This concept can be also applied to logistics networks, which have been defined as “a set of suppliers, manufacturing plants and warehouses organized to manage the procurement of raw materials, their transformation into finished products, and the distribution of finished products to customers” (Cordeau et al., 2006, p.60). The main purpose of this paper is to better understand the process of value co-creation at the roots of logistics networks also recurring to the theoretical perspective of S-D logic. To achieve this goal, a systematic literature review has been conducted to summarize the emergent perspectives that point to join SCM, logistics value co-creation, and marketing strategies. Moreover, the analysis of Procter and Gambles case study led to better understand how companies approach value co-creation in logistics networks. Concluding, case study and literature review results will contribute to answer the following research questions:
RQ1: Do logistic providers’ relational capabilities influence value co-creation?

RQ2: How does ICT influence the ways in which value can be co-created?

2. SERVICE DOMINANT LOGIC AND SERVICE SCIENCE
The current economy is based on the idea that global markets are almost totally focused on service production and exchange. This assessment leads to a radical change in production and marketing strategies that organizations can implement to achieve a good production and trading (Vargo and Lusch, 2008). In literature, two different perspectives are oriented to service analysis. The Good Dominant (GD) Logic, which considers goods or tangible outputs embedded with value (Vargo and Lush, 2008) and the core element of every economic exchange. According to this perspective, services are neither than a restricted type of intangible good or something with an additional value (Vargo and Lush, 2004; Lush and Vargo, 2006). On the other hand, Service Dominant (SD) Logic (Vargo and Lush, 2004, 2008) is a service-centered perspective that offers an alternative interpretation of economic exchange and value creation, considering services the cornerstone of value creation, exchange, and marketing (Vargo and Lush, 2004). This perspective has risen from the general rethinking of “producer” role, traditionally considered the principal actor of goods and services development and delivery, and “customer” role, conventionally viewed as a mere consumer of goods and services. We are assisting to a revolution in value creation process based on the idea that value is always co-created and established in use (Vargo et al., 2008). Furthermore, value is now considered as resulting from the positive application of operant resources (Vargo and Lusch, 2004) who are who are the objects the actions are directed to, while operant ones influence other resources actions. The main differences between GD and SD Logic are summarized in the table below (Table 1).

Table 4: GD Logic and SD Logic comparison.

<table>
<thead>
<tr>
<th>Relationship meanings</th>
<th>GD Logic</th>
<th>SD Logic</th>
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<tbody>
<tr>
<td>Dyadic bonds based on trust and commitment.</td>
<td>Reciprocal, service-for-service exchange.</td>
<td></td>
</tr>
<tr>
<td>Long-term patronage-repetitive transactions</td>
<td>Value co-creation.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Complex networked structured market.</td>
<td></td>
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<tr>
<td></td>
<td>Temporal, emergent nature of value creation.</td>
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<td></td>
<td>Contextual nature of value creation</td>
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<table>
<thead>
<tr>
<th>Normative implication</th>
<th>GD Logic</th>
<th>SD Logic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer management based on communication, satisfaction etc. and pointing to maximize customer value.</td>
<td>Collaborative nature of value determination</td>
<td></td>
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<tr>
<td></td>
<td>Customers collaboration to mutual beneficial value proposition development</td>
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<tr>
<td></td>
<td>Value co-creation based on service-for-service exchange</td>
<td></td>
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</table>

Source: adapted from Vargo, 2009.

S-D Logic roots on ten fundamental propositions (Vargo and Lush 2008), influenced by Service Science and service systems, which are specific resources’ configurations including people, information, and technology, connected to other systems by value propositions (Vargo et al., 2008). Each service system can be, at the same time, a service provider and a service user, offering a better response to stakeholders’ needs (Vargo et al., 2008). Several authors look at SD Logic as the philosophical and theoretical foundation for the development of Service Science (Cambridge University and IBM 2007; Maglio et al. 2009), an emerging discipline that analyses the evolution, the interaction, and value co-creation.
process typical of service systems. In this context, service systems are “value co-creation configurations of people, technology, value propositions connecting internal and external service systems, and shared information” (Maglio and Spohrer 2008, p. 18).

3. CREATION OF LOGISTIC VALUE
SD Logic considers value co-creation as a collaborative model based on a relational and networked view. According to this perspective value is always co-created, because it spreads from mutually beneficial relationships (Vargo et al., 2008). In literature, value co-creation has had several and sometimes different applications “ranging from the physical to the metaphysical and from the material to the spiritual, as can be seen by the output of search engines” (Sanders and Stappers, 2008, p.13). S-D Logic considers value co-creation a key component of a service system that is able to promote customers’ involvement in production, design, customization or association process (Vargo and Lusch, 2008; Gummesson et al., 2010). Logistics represents a dynamic context in which value creation requires a combination of different resources provided by several actors. In this industry, value creation is deeply dependent from stakeholders’ involvement, being the relationship with these actors fundamental in terms of competitive advantage achieving (Yazdanparas et al., 2010). In recent years, logistics value creation has been analysed also according to a relational logic; thus, this interpretation has influenced the spread of value co-creation, according to which stakeholders’ involvement offers interesting advantages in terms of service quality, competitiveness, and adherence to market’s requests (Bahn et al., 2015). According to relational and co-creational logic, value is embedded not only in goods, but also in interactions, because people are no longer simple goods or service buyers, but partners able to provide added value (value in use) arising from their own experiences (Macdonald et al., 2011). Consequently, stakeholders are now considered as operant resources, because “brand value is not only co-created through isolated, dyadic relationships between firms and individual customers […] it is also co-created through network relationships and social interactions among the ecosystem of all the stakeholders” (Merz et al., 2009, p. 338). SD Logic looks at stakeholders as a real resource of value, acting as value co-creators (Vargo and Lusch, 2008). This statement is related to the sixth SD Logic proposition, according to which customers and in our case stakeholders are always value co-creators (Vargo and Lush, 2008). In terms of logistics services, the following proposition means that value creation is always based on relational approaches that encourage the cooperation between supply chain actors (Lusch and Vargo, 2006). The eighth proposition affirms that value co-creation is a relational process (Vargo and Lusch, 2008); thus, it means that a high level of customer orientation has a direct influence on logistics value creation. The ninth proposition states that value creation must be integrated with other resources, “some of which are obtained through the market and some are provided privately or publically” (Yazdanparas et al., 2010, p. 381). The last proposition affirms that value co-creation is mainly based on customer experience, which is a key element of perceived value. According to this statement, “the same service provided to another customer will provide a different value to the other customer” (Yazdanparas et al., 2010, p. 381). Co-creation can involve an organisation or, in our case, a logistics provider and a group or a network of co-creators in many different activities in order to define a specific value creation context and a co-creation environment (Mitleton-Kelly, 2011).

3.1 LOGISTICS AS A COMPLEX SERVICE SYSTEM: THE INFLUENCE OF SMART TECHNOLOGIES
In Service Science domain, a service system is a configuration of people, technologies, value propositions, and shared information that contribute to value co-creation (Spohrer et al., 2007). These systems root on supplier-customer interactions, being open and able to maintain their balance gaining, sharing and delivering resources (Mario et al, 2013). Value co-creation can be analysed also according to “Network theory", according to which resources sharing is an organizational constructs (Polese and Di Nauta, 2012) that include nodes, connections, aggregation forces, central control, dynamic equilibrium, and structural variability (Jarrillo, 1988). Corporate networks adopt social patterns and cultural attitudes to better manage interactions between different actors, and involve them in corporate activities and in co-creation processes (Polese et al., 2007; Polese, 2009). Logistics organizations embody what network theory and SD Logic define “complex service system” (Barile and Polese, 2010), a system oriented to information sharing and made up of several actors joined by tacit or express consent. According to SD Logic, a logistics network is a system opened to cooperation between different stakeholders that act as endogenous actors of value creation (Mario et al., 2013). The conceptualization of logistics organizations as complex service systems is due to Service Science, because this industry makes stakeholders able to participate in value creation and exchange. In a complex service system, as a logistics organization is, operates many actors (e.g. citizens, producers, suppliers, authorities, users etc.) and facilitators (e.g. government, financial services, social security etc.) contributing to its general management and to the implementation.
of collaborative strategies. A concrete contribution to a better management of logistics providers-stakeholders relationship comes from the most recent technologies, such as Information and Communication Technologies (ICT), Web 2.0 and smart technologies. These tools have contributed to the rising of the “Internet of Things” (IOT), a still not generally accepted concept, which put together web services (e.g. Radio Frequency Identification Devices, infrared sensor, Global Positioning System etc.) and a network of Internet-enabled objects, connected and interacting through the web (Yun and Yuxin, 2010). Smart Technologies are usually considered at the roots of IOTs, representing the “methods employed to achieve certain purpose by using a priori knowledge” (Yun and Yuxin, 2010, p.71). Objects are considered “intelligent” when characterized by embedded smart technologies that make them able to actively or passively communicate with users. These tools offer to logistics service systems a new potential in terms of network tracking, online cooperation and communication, and information sharing that point to a stakeholder-centred SCM. In logistics, smart technologies enable the efficient management of internal and external information, in order to make all actors able to participate to the supply chain and contribute to its organization and monitoring. Smart technologies have contributed to smart logistics service system development, characterized by “systematic methods, continuous learning, timely data collection, rational innovation, social responsibility and governance network” (Mario et al., 2013, p.8).

4. METHODOLOGY
This paper has been based both on literature studies and a case study analysis. The relevant literature on logistics value co-creation, SD Logic, Service Science influence, and smart technologies’ influence on logistics service systems has been retrieved and investigated. On the other hand, Procter and Gambles (P&G) case study has been analysed according to a specific theoretical framework developed in 2007 by Stefansson and Sternberg, which defines the main features of smart freight moving from data and information sharing and that makes local decision possible thanks to co-operation between different logistics actors. The analysis has been based on secondary data collection, retrieved from corporate documents, web site, social channel, and additional information retrieved from other media. Stefansson and Sternberg framework is made up of the following attributes (2007): 1) Collaborative logistics arrangement between the partners; 2) Information sharing between partners; 3) Technology for supporting information sharing; 4) Information systems; 5) Decentralized information setup; 6) Smart freight.

5. PROCTER AND GAMBLE CASE STUDY
Procter & Gamble Co., known also as P&G, is an American multinational consumer goods company. Recently, it has developed a customer-driven supply chain management, “wherein starting from customer decision at the store shelf, it worked backwards to production” (Ragu, 2009, p.80). The investigation of different corporate documents and resources has contributed to better define P&G approach to SCM and value co-creation. The company has redefined its supply chain strategy under the leadership of Keith Harrison, head of its global product supply division. During his leadership, a paradigm shift in SCM was implemented. According to the first attribute of Stefansson and Sternberg framework (Collaborative logistics arrangement between the partners), P&G strategies seem to be focused on supply network efficiencies that contribute to achieve a concrete competitive advantage. This company has developed and implemented new logistics strategies and solutions also thanks to the direct involvement of professionals’ partners, experts intermediaries, managers and even clients, who are strongly encouraged to involve themselves in the company’s co-design practices. P&G has also changed its relationship with retailer customers; thus Lafley noted that “historically companies worked and communicated with another through one point of the pyramid – buyer to salesperson, salesperson to buyer. Inverting the pyramid created a flow of communication and planning between the functions of each company – expert to expert, speaking a common language with joint goals and measures” (Ragu, 2009, p.82). P&G’s relational approach to SCM can be considered fundamental for the development and management of its logistics network. In terms of Information sharing between partners, P&G has developed the so-called “supply network”, a specific division belonging to the most general Customer Driven Supply Network (CDSN) that makes information flows in every possible direction rather than in a single horizontal line. P&G aims to facilitate a direct interaction between different functions, also thanks to the emergent smart technologies, in order to facilitate co-operation and the application of specific value co-creation logics. Information accessibility is important for a wide range of partners as the implementation of different and integrated digital channels show. The promotion of information sharing and the use of informatics tools are mainly directed to drive up sales, reduce costs, and gain a better understanding of customers’ needs. The third attribute (Technology for supporting information sharing) is related to P&G technological tools
dedicated to information sharing and to make its partners able to participate in corporate activities. Communication
technologies are also used to access, cooperate and take advantage of “the best brains in the world cutting across
industries, countries and age groups” (Ragu et al., 2009, p.82). P&G have enhanced an online system, Web Order
Management, which makes retailers connected to its network anytime and anywhere, in order to have specific and
reliable information about promotions, inventory, scheduling information and stocks. The spread ICTs in the whole
P&G’s relational network aims to overcome geographical limits, making information, products, and services available
to all its stakeholders. Other customized systems have been implemented such as the Electronic Data Interchange (EDI)
and a bar code system that point to directly transact with manufacturers, eliminating any intermediaries. The following
attribute (Information systems) is related to information system potential in terms of information sharing, cooperation,
value co-creation, and stakeholder- company relationship (Ramaswamy, 2009). P&G has decided to design its external
and internal function around this specific system, in order to gain better results in terms of information sharing,
delivering process optimization, and cooperation. P&G’s information system seems to be able to positively affect the
whole SCM and stakeholders’ participation to value creation. According to the fifth attribute (Decentralized
information setup), information can be accessed by different internal or external points of corporate network. This
means that inter-business functions (e.g. marketing, R&D, Logistics, Finance etc.) can benefit of the same information
to participate to value creation, avoiding or mitigating the possible “information distortion” due to their spread across
many actors, functions, departments, and even nations. P&G has also implemented a strategy of global supply chain
decentralization, in order to individually optimize the performance of each components of supply chain, minimizing the
cost experienced by each level. P&G aims to facilitate information decentralization also implementing emergent smart
Technologies or web 2.0 tools, which are usually designed for facilitating co-operation and integration. The last attribute
(Smart freight) represents a key objective for modern companies that aim to reduce fuel consumption and CO2
emissions. P&G has developed Smart freight strategies since 2007, when the general management decided to prefer
railway to move its goods in a fast and environmental-friendly way. This option is strictly related to smart logistics
strategies, which are focused on intelligent and compact storage, handling, and transportation solutions.

6. CONCLUSION
This research offers some interesting insights on value co-creation in logistics networks and on ICTs influence on
logistics providers and stakeholder’s activities’ efficiency, effectiveness, and relevancy. The literature review has
highlighted that in these specific networks, stakeholders play a pivotal role in value co-creation process, even if a
limited number of contributions are dedicated to a deep investigation of causal links between each actor of supply chain.
According to literature review and case study evidence, it has been possible to respond to the first research question (Do
logistic providers’ relational capabilities influence value co-creation?), thus, value usually spreads from reciprocal and
mutually beneficial relationships. In logistics, the spread of a relational approach to SCM (Lusch and Vargo, 2006)
positively affects value (co)creation (Vargo and Lusch, 2004). P&G case study evidence has also contributed to respond
to the first research question, because the company has implemented specific logistics strategies focused on professional
partners, expert intermediaries, managers and even clients’ direct involvement in co-creation, co-production, and co-
design activities. Furthermore, P&G’s relational network, being based on stakeholders’ involvement, promotes the
improvement of supply-network efficiencies that led to gain a concrete competitive advantage. The analysis has also
make it possible to respond to the second research question (How does ICT influence the ways in which value can be
created?); in fact, Service Science perspective considers ICTs as complex service systems, characterized by a
specific resources’ configuration including people, information, and technologies, connected to other systems by
specific value propositions. The most recent technologies contribute not only to better manage the relationships between
logistics providers and their stakeholders, but also to achieve better supply chain governance and a general
improvement of system’s efficiency, security, sustainability, cooperation, and information sharing. This is possible
because these technologies enable different actors’ participation in SCM and in many other corporate activities. To
enhance cooperation and achieve valuable results in terms of logistics value co-creation, P&G has implemented some
specific solutions (e.g. Electronic Data Interchange) directed to the elimination of intermediaries in value systems and
supply chains. P&G’s information system seems to positively affect the whole SCM and stakeholder participation to
value creation, making them a real corporate partners participating to critic activities such as information sharing, value
creation, services design and many others. The emergent smart technologies seem to facilitate P&G and its partners’
interaction, also thanks to digital channels that allow a deep control on information flows and facilitate the decreasing of
several redundant activities and processes. Stakeholders’ participation in value creation is also enabled by a P&G’s
online system (Web Order Management) that makes retailers connected anytime and anywhere to corporate network.
Concluding, qualitative and quantitative researches are needed to better understand value co-creation processes in supply chains and in particular in logistics networks.

References


Boycotting “Unethical” S/M Products in Greece: An Application of the Theory of Planned Behaviour

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Abstract

In this study the Theory of Planned Behaviour (TPB) was employed in order to understand better the consumers’ intentions to take part into a boycotting regarding “unethical” products delivered in S/Ms. Data were gathered through personal interviews with 564 consumers according to the one-stage area sampling method in the Thessaloniki/GR urban area. The collected data were found to fit the model well and TPB indicated a moderate explanatory power ($R^2=0.472$) of intentions. The consumers’ intentions to participate in a boycott call were found to be positively influenced mostly by their own perceptions about means and obstacles involved in boycotting while they seem to be also influenced by, important to them, other people, who want them to do so. Boycott campaigns might include useful information about the ethical alternatives such as price, quality and distribution. They might consider including opinion leaders’ prompts or testimonials to persuade the consumers to boycott unethical products.

INTRODUCTION

Boycotting is defined as the consumers’ remit from particular products, certain firms or groups of firms (Friedman, 1991). Boycotting includes the refusal of buying products or firms that challenge consumer ethics regarding the environmental destruction, the exploitation of workers or local producers in the underdeveloped countries, child labour, animal rights etc (Friedman, 1991; Dickinson and Carsky, 2005).

In consumer behaviour, boycotting is understood as actions of denial or exit from a certain market due to ethical causes. It is the second, negative type of ethical consumption, together with the positive and the discursive types (ethical buying and ethical communication respectively) according to Tallontire’s et al. (2001) categorization. Ethical consumption is understood as “the conscious and deliberate choice to make certain consumption choices due to personal and moral beliefs” (Crane and Matten, 2004). Ethical consumption is often connected with political consumerism (Michelletti et al., 2005. Within the marketing academic community, ethical consumption could not be considered as a part of the dominant research directions. Limited as it is, research on ethical consumer behaviour has focused mainly on the ethical buying, while the other two types of ethical consumption, namely the boycotting and the discursive actions, have been rather neglected so far.

Nevertheless, there had been claims that worldwide boycotting campaigns were going to increase (Friedman, 1999); indeed nowadays there are a few groups and organizations that very often promote boycott calls through internet (e.g. ethicalconsumer.org). This tendency has already activated some researchers’ attention (Kozinets and Handelman, 1998; Klein et al., 2004) which is expected to increase (Yuksel and Mryteza, 2009; Braunsberger and Buckler, 2011).
Greece, there have been just a few attempts to explore boycotting intentions regarding “unethical” products (Delistavrou and Tilikidou, 2012) and hotels (Tilikidou et al., 2013).

However, there are certain voids with regards to a more in-depth understanding of the consumers’ engagement. The structure, the motivation and the insights of this type of consumer behaviour remain in the shadow. With regards to the appropriate theoretical framework to guide the ethical consumption research, there have been suggestions that the Theory of Planned Behaviour (TPB) is most probably the optimum way to follow (Shaw et al., 2007; Farah and Newman, 2010).

Following this direction, the TPB was adopted in this study, in order to examine Greek consumers’ intentions to boycott S/M products that have been produced by firms blameful about unethical business practices.

REVIEW OF THE LITERATURE

In the English written literature, there have not been so many studies, which focused exclusively on this negative type of ethical consumption (boycotting). However, there is a plethora of personality variables, which have been found to influence positively the compliance to boycotts, such as: perception of boycott success (Sen et al., 2001; Klein et al., 2004), cost of boycotting (Sen et al., 2001; Klein et al., 2004), social pressure (Sen et al., 2001; Klein et al., 2004), social image of boycotters (Kozinets and Handelman, 2004), moral self-expression (Kozinets and Handelman, 2004), self-realization (Kozinets and Handelman, 1998), self-enhancement (Klein et al., 2004), express uniqueness (Kozinets and Handelman, 1998), freedom from guilt (Kozinets and Handelman, 1998; Klein et al., 2004), target’s egregiousness (Klein et al., 2002; Klein et al., 2004).

In Greece Delistavrou and Tilikidou (2012) found that highly educated Greeks were more willing to stop buying dangerous or containing GMOs products or products by firms blameful of child labour; compliance was found to increase in cases the consumers’ were asked to follow a well promoted prompt or a campaign, or even more if they were able to find ethical alternatives. Tilikidou et al. (2013) found that well educated women were more likely to get engaged in a hotel boycotting especially in cases workers, children or animals’ exploitation is involved.

As mentioned above, the TPB has been applied in relevance to boycotting in a few studies. Farah and Newman (2010) examined the Lebanese consumers’ intentions to boycott American products and Shaw et al. (2007) examined the UK consumers’ intentions to boycott sweatshop apparel. These two studies verified, to an extent, the power of TPB to explain this type of behaviour. Farah and Newman (2010) found that attitudes were the stronger predictor of intentions to boycott American products, followed by perceived behavioural control and also by the consumers’ subjective norms, at a lower degree. Shaw et al. (2007) found that attitudes and perceived behavioural control indicated almost the same strength in prediction of the UK consumers’ intentions to boycott sweatshop apparel while the consumers’ subjective norms was found to account for less predictive power.

THEORETICAL FRAMEWORK

The Theory of Planned Behaviour (TPB) (Ajzen, 1985 and 1991) represents an improved modification of the Theory of Reasoned Action (TRA) by Fishbein and Ajzen (1975) and Ajzen and Fishbein (1980). According to TPB, the Behavioural Intentions of consumers are being formulated through a function of three predictor factors, namely Attitudes, Subjective Norms and Perceived Behavioural Control. These factors are preceded by three concepts of beliefs, namely Behavioural Beliefs, Normative Beliefs and Control Beliefs respectively. It is also to be noted that in TPB each variable in the axis of beliefs, when measured, should be multiplied with the relevant evaluation variable respectively (Figure 1). So, Behavioural Beliefs should be multiplied with Outcome Evaluation, Normative Beliefs with Motivation to Comply and Control Beliefs with Perceived Power (Ajzen, 1991).
In an effort to apply the TPB theoretical framework on the boycotting S/M products field, it was assumed that future customers’ intentions to boycott any “unethical” product are formulated by (a) their attitudes about whether avoiding to buy an “unethical” product is favourable, enjoyable, good etc. or not; these attitudes are in turn influenced by the respondents’ behavioural beliefs, i.e. by the respondents’ beliefs that if they boycotted a product they would actively protect the environment and the local production, act against children labour, unemployment, workers’ exploitation etc. In addition, these behavioural beliefs should be multiplied by the evaluation of each outcome, namely the importance of each belief (b) their subjective norms that concern how much others, important to them, persons approve their engagement in boycotting; these norms are influenced by the respondents’ beliefs regarding whether their close people (family, friends, colleagues) would like them to get engaged in products’ boycotting. In addition these normative beliefs should be multiplied by motivation to comply, namely consumers’ behaviour in line with what others believe they should do and (c) their perceptions about the time, money, information, obstacles, decision and convenience involved in boycotting; these perceptions are in turn influenced by their beliefs about “unethical” products’ attributes, such as price, quality, offers, easy-to-find, well promoted. In addition, these control beliefs should be multiplied by consumers’ perceived power, namely how much each attribute affects the decision to avoid an “unethical” product.

**HYPOTHESES**

Based on the above theoretical framework the following hypotheses were set:

1. Behavioural Beliefs have positive effects on Attitudes
2. Normative Beliefs have positive effects on Subjective Norms
3. Control Beliefs have negative effects on Perceived Behavioural Control
4. Attitudes have positive effects on Intentions
5. Subjective Norms have positive effects on Intentions
6. Perceived Behavioural Control have positive effects on Intentions

**METHODOLOGY**

A survey was conducted among the households of the urban area of Thessaloniki, Greece. The sample size was set up to 600 households and the procedure ended in 564 usable questionnaires. The instrument was a structured questionnaire that followed the TPB instructions (Ajzen, 2002). The sampling method was the one-stage area sampling (Zikmund 1991, p. 471; Tull and Hawkins, 1993, p. 544). The respondents were approached through personal interviews, which were taken by trained marketing students and controlled by an experienced marketing academic researcher, who acted as a field manager.

The first part of the questionnaire included the beliefs constructs, namely (a) Behavioural Beliefs (BBi) of 9 items, measured on a 7-point Likert scale from 1=Strongly Disagree to 7=Strongly Agree and the relevant Outcome
Evaluation (OEi) measured on a 7-point importance scale from 1=Extremely unimportant 7=Extremely important, (b) Normative Beliefs (NBj) of 3 items measured on a 7-point Likert scale from 1=Strongly Disagree to 7=Strongly Agree and the relevant Motivation to Cply (MCj) measured on 1= Not at all to 7=Very much and (c) Control Beliefs (CBk) of 6 items measured on a 7-point Likert scale from 1=Strongly Disagree to 7=Strongly Agree and the relevant Perceived Power (PPk) on 1= Not at all to 7=Very much.

The second part included the predictors’ construct, namely (a) Attitudes (AT) of 9 items measured from 1=Extremely negative to 7=Extremely positive (b) Subjective Norms (SN) of 3 items and (c) Perceived Behavioural Control (PBC) of 4 items both measured on a 7-point Likert scale from 1=Strongly Disagree to 7=Strongly Agree.

The third part included the dependent variable, namely Boycotting Intentions (BI) which is a Guttman type variable of 3 items in a sequence: 1= I think that I will boycott “unethical” products next time I visit a S/M, 2= I plan to boycott “unethical” products next time I visit a S/M, 3= I will definitely boycott “unethical” products next time I visit a S/M, all measured on a 7-point Likert scale from 1=Strongly Disagree to 7=Strongly Agree.

Five demographical variables were added in the investigation, namely gender, age, education, income and occupation. The relevant scales were adopted from the EL.STAT. (EL. STAT., 2012).

RESULTS

The measurement model

The collected data of 564 cases were tested for any extreme mistakes with relevance to the model assumptions. The Confirmatory Factor Analysis (CFA) was conducted (using maximum likelihood estimation) to assess for each construct Unidimensionality, Reliability and Construct Validity. All variables of the research design were entered in the analysis.

The model fit values were: $\chi^2=1792.615$, df = 595, p< 0.001, NFI=0.900, CFI=0.931, RMSEA=0.060. Although the model fit statistics were acceptable, a closer look at the factor loadings revealed that there was one item (CB6) of the Control Beliefs construct that obtained a lower (standardised regression weight=0.580) than the recommended 0.60 factor loading (Byrne, 2010) so it was eliminated. The analysis was run again and the following results were obtained: $\chi^2=1713.379$, df=561, p< 0.001, NFI=0.901, CFI=0.931, RMSEA=0.060.

As all remaining items were significantly (p<0.001) associated with their specified constructs (factor loadings >0.615) Unidimensionality of each construct is assessed.

The results provided evidence of Composite Reliability as all estimates of Construct Reliability ranged from 0.819 to 0.958 according to Bagozzi and Yi (1988). Convergent Validity was also assessed as the Average Variance Extracted (AVE) values exceeded the recommended by Fornell and Larcker (1981) level of 0.50. In addition Discriminant Validity was assessed as the AVE value for each construct was greater than the squared correlation between the pairs of constructs (Table 1).
Table 1: Measurement model results

<table>
<thead>
<tr>
<th></th>
<th>Inter Construct Correlations (Squared correlations)</th>
<th>AVE</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Behavioural Beliefs (BB)</strong></td>
<td>BB,OE&lt;sub&gt;i&lt;/sub&gt;</td>
<td>1.000</td>
<td>0.683 0.951</td>
</tr>
<tr>
<td><strong>Normative Beliefs (NB)</strong></td>
<td>NB,MC&lt;sub&gt;j&lt;/sub&gt;</td>
<td>0.324 (0.105) 1.000</td>
<td>0.731 0.890</td>
</tr>
<tr>
<td><strong>Control Beliefs (CB)</strong></td>
<td>CB,PP&lt;sub&gt;k&lt;/sub&gt;</td>
<td>0.108 (0.012) 0.188 (0.035) 1.000</td>
<td>0.574 0.819</td>
</tr>
<tr>
<td><strong>Attitudes (AT)</strong></td>
<td></td>
<td>0.405 (0.164) 0.104 (0.011) 0.178 (0.032) 1.000</td>
<td>0.718 0.958</td>
</tr>
<tr>
<td><strong>Subjective Norms (SN)</strong></td>
<td></td>
<td>0.371 (0.138) 0.634 (0.402) 0.165 (0.027) 0.224 (0.050) 1.000</td>
<td>0.717 0.884</td>
</tr>
<tr>
<td><strong>Perceived Behavioural Control (PBC)</strong></td>
<td></td>
<td>0.284 (0.081) 0.452 (0.204) -0.133 (0.018) 0.061 (0.003) 0.514 (0.268) 1.000</td>
<td>0.550 0.829</td>
</tr>
<tr>
<td><strong>Boycott Intentions (BI)</strong></td>
<td></td>
<td>0.411 (0.168) 0.414 (0.171) 0.043 (0.002) 0.187 (0.035) 0.563 (0.317) 0.615 (0.391) 1.000</td>
<td>0.714 0.881</td>
</tr>
</tbody>
</table>

The structural model of TPB

In Figure 2 the results of the examination of the structural model according to the TPB theoretical framework (Figure 1) are presented. These results provided satisfactory estimates as follows: $\chi^2=1677.283$, df= 564, p<0.001, $\chi^2$/df=2.974, RMSEA=0.059, CFI= 0.934, NFI=0.904. The $R^2=0.472$ with regards to Intentions reveals that the model of TPB is able to explain a moderate amount of the variance in the consumers' intentions.

The $R^2$ in Intentions (squared multiple correlation-AMOS20) is formulated by the path coefficients (standardised regression weights) of the structural equation model (Figure 2). It is noted that the squared multiple correlations of the variables in the second axis were found to be as follows: Attitudes=0.163, Subjective Norms=0.293 and Perceived Behavioural Control=0.021.

Figure 2: Structural model results

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The results regarding the standardized regression weights indicated that (Figure 2) there are statistically significant \((p<0.000)\) and positive relationships between Behavioural Beliefs and Attitudes \((0.404)\), between Normative Beliefs and Subjective Norms \((0.542)\), between Subjective Norms and Intentions \((0.298)\), and between Perceived Behavioural Control and Intentions \((0.520)\). There is a statistically significant \((p<0.018)\), positive relationship between Attitudes and Intentions \((0.084)\) and a statistically significant, negative relationship \((p<0.002)\) between Control Beliefs and Perceived Behavioural Control \((-0.144)\). Therefore all Hypotheses are supported (Table 2).

### Table 2: Hypotheses testing

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Behavioural Beliefs have positive effects on Attitudes</td>
<td>supported</td>
</tr>
<tr>
<td>H2: Normative Beliefs have positive effects on Subjective Norms</td>
<td>supported</td>
</tr>
<tr>
<td>H3: Control Beliefs have negative effects on Perceived Behavioural Control</td>
<td>supported</td>
</tr>
<tr>
<td>H4: Attitudes have positive effects on Intentions</td>
<td>supported</td>
</tr>
<tr>
<td>H5: Subjective Norms have positive effects on Intentions</td>
<td>supported</td>
</tr>
<tr>
<td>H6: Perceived Behavioural Control have positive effects on Intentions</td>
<td>supported</td>
</tr>
</tbody>
</table>

### DISCUSSION

The above presented results with reference to the first axis of the TPB model (Figure 2) indicate that consumers’ attitudes about boycotting S/M “unethical” products are positively affected by their behavioural beliefs regarding the outcomes of their participation in a boycott. Consumers’ perceptions about important others’ incentives (subjective norms) are positively affected by their perceived normative beliefs about family’s, friends’ and colleagues’ motivation to take part into a boycott campaign. Consumers’ perceptions (perceived behavioural control) about their own means or obstacles to get engaged in a boycott are negatively affected by their control beliefs about certain positive attributes of the “unethical” S/M products versus the ethical alternatives. This finding indicates that consumers are reluctant to take part into a boycott if the campaign call refers to products that are cheaper, more qualitative, easy-to-find, attractively promoted and also in cases that consumers do not hold the necessary ability to distinguish which product is supposed to be “unethical”. These results verify the concept of TPB, as it seems that the Greek S/M customers’ attitudes, norms and control perceptions are based on the respondents’ relevant beliefs. The later result is in line with previous studies regarding positive ethical consumption activities (Kalafatis’ et al., 1999-environmentally friendly products; Han et al., 2010-green hotels).

With reference to the second axis (Figure 1) the above results indicate that perceived behavioural control has the stronger effect on intentions followed by subjective norms while attitudes seem to obtain the lower effect on intentions. These relationships indicate that consumers’ intentions to take part into a boycott are mostly influenced by their perceptions about their own means or obstacles (perceived behavioural control) to get engaged in a boycott due to ethical causes. Consumers’ were also found to be affected by important other people’s incentives (subjective norms) to participate in a boycott. Positive or negative feelings about avoiding buying “unethical” S/M products, which were examined in the form of attitudes, were found to play a remarkably limited role in the formulation of consumers’ intentions. These findings are in contrast to previous results provided by Farah and Newman (2010) and by Shaw et al. (2007); as mentioned in the literature review in both studies a strong predictive role of attitudes was demonstrated.

### LIMITATIONS AND FUTURE RESEARCH SUGGESTIONS

This study added to our knowledge with relevance to consumers’ intentions to take part into a boycott towards S/M products produced and delivered by firms that have been accused about “unethical” business practices.
Our relevant previous knowledge, at least regarding Greece had been very limited. However, certain limitations came into sight upon discussing the results. The adoption of the particular, rather restrictive, attitudinal scale might be considered as a limitation of this research study. All the attitudinal items obtained almost equal Means, a finding that did not assist very much in a deeper understanding of the respondents’ deeper feelings about boycotting. There is a need to develop a more reliable and valid instrument to investigate attitudes towards boycotting. The rather poor findings in Hypothesis 3 that concern the effect of consumers’ Control Beliefs to their Perceived Behavioural Control may be attributed to the differences in the phrasing between the two constructs, which underlines the necessity to improve both of them.

As always, the choice to explore the future customers’ intentions and not their actually performed behaviour might be considered as another limitation of this study, as it might seem like investigating an “idea” and not an actual behaviour. Therefore, it is assumed that adding the respondents’ past experiences in taking part into a real boycott campaign (if any) in the TPB model might add to our understanding of the decision making procedure with relevance to boycotting behaviour, which is the negative type of ethical consumption.

CONCLUSIONS AND IMPLICATIONS

In this study TPB was for the first time employed, in order to examine consumers’ intentions to take part into a boycott campaign regarding S/M “unethical” products in Greece. It was indicated that the data fit well to the model, and the theoretical perspective was verified. Data analysis indicated that consumers’ intentions are positively influenced mostly by their own perceptions about the means and obstacles involved in boycotting while their intentions to take part into a boycott are also influenced by, important to them, other people, who want them to do so.

Groups and organizations, interested to call for a boycott against firms that have been demonstrably blamed of human or environmental deterioration, are now in a position to understand better consumers’ relevant intentions. Boycott campaigns should be designed in a way that facilitates the convenience of participation, the overcoming of any relevant obstacles. Consumers, who are more likely to take part into a boycott are those, who think that they hold the necessary money, time and information and that it is merely their own decision to avoid buying “unethical” S/M products. The perceptions of these consumers’ are influenced by what people think about the attributes of ethical product choices. If anyone is to boycott a favourite brand, which is blamed about unethical practices, she/he needs to know that the featured ethical alternatives are at least equally cheap, qualitative, easy-to-find, well promoted, offering the same value-for-money bargains. Campaigns should emphasize comparisons between price of an ethical product and the negative, social cost that is included in any “unethical” product. For example, a low-cost apparel may be found in half a price than a regular one, but its production included human exploitation, child labour or extreme environmental damage. The results also pointed out the great importance of opinion leaders, as a key factor in the increase of the consumers’ engagement in a boycott campaign. Institutions organising boycott campaigns might consider including important citizens’ opinions, prompts or testimonials to motivate consumers to comply with a boycott call.
REFERENCES


Consumers’ perceptions of and responses to advertising creativity

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Abstract:

Creativity has a strong influence in advertising because it is the “raison d’être” (Koslow et al., 2003, p.96) of the industry. Although many within the industry appreciate this it is no secret that creativity is subjective and may be influenced by the “eye-of-the-beholder” (Reid et al., 1998, p.3). Therefore it needs an identification of what it is comprised of and a conceptualization so that there can be agreement on what is creative and what is not at least to a degree if not all. Divergence and relevance are accepted as the two overarching dimensions of advertising creativity (e.g. Lehnert et al., 2013).

While research on advertising creativity has expanded over the last decade there is still more to understand and reflect about the concept considering the importance of advertising effects on consumers. If a sequential modeling is considered for consumers’ perceptions of advertising creativity, the perceived advertising creativity dimensions form the first layer whilst the next layers can be the outcomes of these perceived dimensions. Furthermore this second layer might be considered as a two phased flow in which the attention and attitudes toward the ads lead to the consumers’ engagement to the creative ads as an ultimate outcome.

Keywords: Advertising Creativity, Consumer Perceptions, Consumer Responses, Advertising Effects

INTRODUCTION

The purpose of advertising is to reach to the public and generate consumer responses (West et al., 2013, Mai and Schoeller, 2009). This leads to a common strategy in advertising, which is to design creative advertisements that can attract consumers. In fact, creativity is considered to be a “key success factor” (Wang et al., 2013, p.42) and the “heart” of advertising (Rossiter, 2008, p.139). Therefore, advertising practitioners “manage one thing above all else: creativity” (Hackley, 2010, p.97).

Besides advertising practitioners, another point of view for creativity can be provided by the audience who review advertising. Advertising creativity perceptions of practitioners and consumers may vary due to the nature of creativity, which relies on the “eye-of-the-beholder” (Reid et al., 1998, p.3, Goldenberg et al., 1999, p.1496, White and Smith, 2001, p.33). This causes the conceptualisation and investigation of advertising creativity to be limited by its nature that is dependent on subjectivity. In response to this limitation, consumers’ perceptions of advertising creativity research can bridge the gap between practitioners’ common perceptions and consumers’ perceptions and reveal if there is congruency between the two perspectives.

Since the way consumers interpret and perceive advertisements leads them to their responses to those ads it is expected to see outcomes of advertising creativity as consumer responses. While advertising creativity is referred to as being the ultimate task in advertising, it is no doubt critical to understand whether or how creativity is impactful on consumer engagement, which is expected to be the eventual outcome of consumers’ responses to advertising creativity (for example, Woodard 2006, Sasser and Koslow, 2008, Wang, 2006). Once viewers’ perception of advertising creativity is understood, this may improve advertising creativity and can result in more desired outcomes in advertising.

Advertising creativity “remains a central aspect of marketing even amidst a rapidly changing media environment” (Nyilasy et al., 2013, p.1692). Consequently, by giving more consideration to consumer perspectives the advertising industry will be able to offer a “richer foundation for building creative communication strategies and executions” (Zaltman and Coulter, 1995, p.36) and a more comprehensive “guidance for capturing consumers’ attention and further engaging their thought processes” (p.35).
DEFINITION AND DIMENSIONS OF ADVERTISING CREATIVITY

It is claimed that the magic in advertising is “the unexplainable flash of creativity” (Kover and James, 1993, p.38). Although it is said to be unexplainable, creativity in advertising has different definitions for individuals. One of the broader definitions states it is “the process of producing and developing advertising ideas” (El-Murad and West, 2004, p.188). Another one describes advertising creativity as “the ability to generate fresh, unique, and appropriate ideas that can be used as solutions to communication problems” (Belch and Belch, 2009, p.255).

Since creativity is a multifaceted concept (Runco and Charles, 1993) it needs to be investigated systematically with its various common elements provided in the literature. One way to have a rigorous investigation of advertising creativity is to group these interchangeable elements with sub-factors. These elements provide researchers a representation of advertising creativity that can be considered as a dimensional framework with two over-arching dimensions. These are divergence and relevance (Smith and Yang, 2004, Ang et al., 2007, Sheinin et al., 2011, Ang et al., 2012, Lehnert et al., 2013, Wang et al., 2013).

Divergence is “the extent to which an ad contains brand or execution elements that are different, novel, unusual, original, unique, etc.” (Smith et al., 2007, p.820). Relevance is described as the ad elements “that are meaningful, appropriate, useful, or valuable to the audience in some way” (Smith et al., 2007, p.820). Divergence is comprised of five unique factors and Relevance has three factors.

While these definitions and dimensions of advertising creativity are academically accepted views of practitioners and researchers it is still less known how consumers perceive creativity in advertising. As much as creativity is pivotal in the advertising industry with its reputation the consumer side of the concept should also be concern of marketing practitioners, including researchers.

It is also expected to see perceived cleverness as another dimension of advertising creativity considering the fact that it requires some level of cleverness to bring divergence and relevance together. The intelligence required to produce creativity may also be perceived by viewers as a characteristic of the creativity. While this does not actually conceptualise the perceived cleverness, it may provide researchers a new direction in conceptualising creativity and understanding consumers. It is essential to understand creativity with its different elements, as otherwise, some effects of these elements might be neglected in relevant studies (Kilgour and Koslow, 2009).

CONSUMER RESPONSES TO ADVERTISING CREATIVITY

It is acknowledged that when consumers perceive ads as creative, these are also able to attract attention and, thus, to be processed by consumers instead of being ignored (West et al., 2008). Consequently, the use of creative advertisements attracts consumers’ attention and motivates them to process the information in the ad (Baack et al., 2008). In other words, attention is the breaking through of advertisements and, therefore, it is the element that starts the dialogue between the ad and the consumer (Kover, 1995). Nyilasy and Reid (2009) stated that advertising brings out attention and once the attention is drawn, then awareness and attitudes are generated consecutively. Similar views in the literature imply that attention gathering is a form of precondition to reach consumers and it triggers processing as well as forming attitudes.

Since advertising’s ultimate use is to generate favourable attitudes from consumers, likeability can be of value for researchers to understand consumer perceptions of advertising creativity (Belch and Belch, 2009). Advertising creativity triggers positive emotions such as likeability (Yang and Smith, 2009). The impact of likeability is shown to be greater at “interrupting the scanning phase of consumers—also referred to as the ‘stoppage power of advertisements’—improving processing, and producing more positive judgments of the message” (Smith et al., 2006, p.73). While this is similar to literature for attention, since it also stops consumers and improves processes, these two are different aspects of advertising. In order to be liked, ads need also to be noticed.

When consumers are exposed to advertisements, they are not only exposed to the “media formats”, they are also exposed to the “visual and artistic aspects the ads” and, in fact, they become engaged with the advertising creative (Spielmann and Richard, 2013, p.501). The relation of engagement to advertising depends on two factors. The first reason is its importance for effectiveness in communicating with consumers, and the second reason is the need of advertisers to receive accountability by increasing the engagement of consumers (Wang, 2006). That is because “the advertising needs to break through and be engaged by the viewer” (Kover, 1995, p.605).
In an advertising context, Wang (2006) stated that engagement is “not a direct indicator of advertising results”, rather it is the purpose of advertising (p.366). Advertisers aim for effective communications and, therefore, they look for ways to engage consumers with advertisements. This is in accordance with the Bernardin and Kemp-Robertson (2008) study in which they claim that consumers, or as they prefer to refer to them “people”, should come “first, front, and center” in marketing and be more engaged with, instead of being ignored in exchange for business driven results (p.135). This is similar to what has been discussed regarding the perception differences of consumers and advertisers. Advertising practitioners’ motives are dependent on business objectives and, as a result, this might be preventing ads from communicating and engaging with consumers.

Young (2000) stressed the importance of engaging with the consumers as “active participants” and “leaving something to the viewers’ imagination” instead of considering consumers as “passive viewers” (p.21). According to this view, one can assume creativity in advertising might engage consumers with the divergence and relevance dimensions, which could activate consumers to process the ad information and engage them with new and meaningful information offering. In fact, it is suggested that engagement is one of the factors that “many of the effects on consumer responses to creative advertising relate to” (Sasser and Koslow, 2008, p.15).

Using Hierarchy of Effects (HOE) model as a guide, a greater depth of understanding for consumer perceptions of advertising creativity, and, thus, a better representation of their responses to creative advertising can be achieved. Therefore, if a sequential modelling is considered for consumers’ perceptions of advertising creativity, the perceived advertising creativity dimensions form the first layer, whilst the next layers can be the outcomes of these perceived dimensions.

Furthermore, this second layer, in which outcomes of advertising creativity develop, might be considered as a two-phase flow. It is expected that consumers’ engagement to the creative ads as an ultimate outcome of the attention drawn to, and the attitudes formed towards the advertising creativity dimensions will be observed.

RESEARCH AIMS AND OBJECTIVES

Since consumers are one of the important considerations in advertising research (Rosengren et al., 2013) the first aim of this research is to understand consumers’ perceptions of advertising creativity and second is to identify how these perceptions affect their responses to it.

The research objectives are:

- To analyse how consumers perceive creative advertising and its various dimensions;
- To examine the relationships/interrelationships between the dimensions/factors as perceived by consumers;
- To examine how consumers respond to creative advertising and its various dimensions;
- To investigate the relationships and interrelationships between the different types of consumer responses to creative advertising; and

EXPECTED CONTRIBUTION TO KNOWLEDGE

Theorisation of how consumers perceive and respond to advertising creativity should consider its multifaceted nature since it cannot be conceptualised in a straightforward manner (Nyilasy et al., 2013). An in depth conceptualisation of the concept can reveal how consumers perceive advertising creativity and how they respond to it by a step-by-step model. This will make sure that the model includes consumers’ perceptions as antecedents of their responses to the advertising creativity. Only this way theorisation of consumers’ perceptions can provide practical insights to advertising practitioners.

This research will make an original contribution to knowledge by its demonstration of the degree to which consumers’ and agency professionals’ perceptions are congruent with regard to advertising creativity and its dimensions. Creativity research to date has focused on creativity from the point of view of the producer rather than that of the consumer. Although the share of studies on what advertising creativity is, and what it is not, is higher for the industry than for the consumer part of the subject, consumer perception is more important for researchers. That is because advertisements are primarily designed to communicate with consumers. Consequently, this present study will have research findings on
consumer perceptions of, and responses towards, advertising creativity. This contribution will be taking the research of advertising creativity further by “incrementally adding to it or extending it” and “providing an alternative explanation or understanding” of it (Alvesson and Sandberg, 2013, p.12).

This challenges the advertising literature by investigating whether there is more to creativity than the value it has received from the practitioners with a modelling of advertising creativity. This model demonstrates how consumers’ responses to creative advertising are caused by their perceptions of creativity. Therefore, this study, with not only its unexplored potential in consumers’ perceptions but also data regarding how consumers respond to those advertisements as an outcome of creativity, will contribute to the knowledge of advertising creativity.

METHODOLOGY

With a positivist philosophy, this research investigates consumers’ perceptions of and responses to advertising creativity as a reality that can be observed in a “value-free” way (Saunders et al., 2012, p.114). Consistent with the literature, it is acknowledged that when advertisements are deemed to be creative, they are expected to represent the creativity dimensions that will generate responses from the viewers.

More specifically for this study, employment of the survey approach will provide descriptions of attitudes and opinions of consumers regarding advertising creativity that will enable the construction of a structural equation model with identification of causal paths for different variables (Creswell, 2009).

The correlational, multi-variable survey questionnaire will gather information about respondents’ perceptions of advertisements in terms of creativity dimensions, as well as their attention, advertisement likability, and engagement with the advertisements, so that the relationship between these variables can be investigated. The questionnaire is adapted from the literature, “beyond superficial appeal”, since the development of the questions should rely on the literature review and the hypotheses that are driven from it (Youngman, 1978, p.4).

Throughout the questionnaire five-point Likert scales are employed for the responses to the statements. These are Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree. The Divergence variable is measured with five unique factors, each of which has three measurement items. The Relevance variable is measured with three types. The practise of the questionnaire will be facilitated by the use of print advertisements that were considered to be creative and have received an award for this purpose.

This study is interested in print advertisements’ creativity and consumers’ perceptions of and responses to it. Although print media is “not intrusive” (p.403) and consumers “tend to be more receptive and tolerant of print media” it still requires the message receiver to show some effort in order to attend to and process the advertisements (Belch and Belch, 2009, p.415). For that reason it would be useful to understand how consumers perceive and respond to creativity in print advertisements. In order to eliminate researcher bias the advertising examples to be exposed to the respondents will be selected in a randomised manner from a selection of advertisements that have already been deemed as creative by a recognised authority with a reputation for its independent and devoted work in the field.

The individual measurement items of the responses to advertising creativity are designed with five-point Likert scales in order to have the same style throughout the questionnaire. The measurement of the attention capacity cannot be independent of the methodological design since the capacity and the depth of attention will be high during the viewing of the creative stimuli. Due to this fact the attention paid to creative stimuli will be measured with two sub-factors, which are *Motivation to Process the Ad* and *Amount of Attention* adopted from Smith et al. (2008). Since the research conceptualisation of the likeability variable does not identify likeability with “several different, unique subdimensions” but rather as the “only one attribute” (Hair, 2009, p.384), it will be measured with a single-item. In order to investigate consumers’ engagement with creative advertisements ten bipolar adjectives are adopted from the Zaickowsky (1994) study with five-point semantic differential scales.

The research objectives acknowledging causality between the variables imply the use of Structural Equation Modelling (SEM), therefore, the collected data from the online survey will be analysed through SEM.

References


The role of perceived Value, Risk and Attitude towards SNS ads in high tech product purchase intentions, on-line. Evidence from SNS’ users

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Abstract
The phenomenal growth of the Internet coupled with the rapid development of Social network sites, have irrevocably transformed people’s shopping experience. As a result, much attention in the marketing literature has been placed on the growing field of e-commerce and on-line consumer behavior. Following a review of the relevant literature, this empirical study aims to identify drivers of purchase intentions for online consumers. Based on a sample of 150 respondents drawn among users of Social network sites (SNS), namely Facebook, this study provides preliminary evidence on what drives intentions to purchase high-tech products, on-line. Specifically, it investigates the role of customers’ attitudes towards SNS’ Adverts, the perceived Risk, the perceived Value-for-money and the Value-benefits associated with on-line purchases. The findings suggest that firms should focus on offering greater Value to customers and reducing Risk perceptions rather than mainly developing SNS advertising campaigns to boost sales. The implications of the findings for firms with an on-line presence are evident. Yet, these are preliminary findings only and should be treated with caution.

Keywords: Purchase Intention on-line, Perceived Value, Advertising in Social networks, On-line survey.

1. INTRODUCTION
The rapid expansion of the Internet instigated irreversible changes in the way transactions are conducted internationally (Sin et al., 2012). Growing numbers of customers purchase goods and services on-line because the internet facilitates easy access to sources of information and also allows both producers and customers to spread information about a given product or service (Vijayasrath and Jones, 2000). Along with the growth of on-line shopping, the introduction of Social Network Sites (SNS) enhances communication and collaboration among users to the extent that shopping becomes an online social experience (Pookulangara and Koesler, 2011). SNS are channels one may use to get information for purchase decisions (Kozinets 2002) as well as enable users to distribute their own content (e.g. videos, music, photos, personal information); thus, Facebook, MySpace, Twitter, You Tube and Photobucket have rocketed to prominence (Laudon and Traver, 2010).

Different types of products are offered online such as cosmetics, e-banking services, and high-tech products among others. The latter receive much attention in the literature due to their particular characteristics. Indeed, high tech products have “shorter life cycle, a high risk in respect of changes in user behavior, indispensability of infrastructure, a lack of clearly defined industry standard and the uncertainty regarding the functionality of the product” (Sahadev and
Jayachandran, 2004, p.124). Shopping decisions and advertising are not necessarily simple as well (Sahadev and Jayachandran, 2004; Englund and Graham, 1999). Also high tech is a fast changing industry where competition is fierce (Coglough and Tolbert, 2001) and firms are forced to invest heavily in R & D to be able to introduce new products and remain competitive (Kobrin, 1991). This study aims to shed some light into what might drive customers’ intention to purchase high tech products online while the study’s preliminary findings have implications for the marketing of such products, too.

2. RESEARCH BACKGROUND AND HYPOTHESES DEVELOPMENT

2.1. On-line Purchase Intention and its determinants.

Purchase intention can be defined as “the tendency or likelihood to buy a product” (Thammawimutti and Chaipoopirutana, 2005, p.6) and suggests an incline towards making a purchase (Dodds et al., 1991). What purchase intention represents in reality is “what we think we will buy” (Blackwell et al., 2001 p. 283). There are various theories among which, the theory of reasoned action and the planned behavior theory stating that, purchase intention is related to attitude, subjective norms and perceived control (Cheung et al., 2005) where one is willing (or not) to buy a product (Erragcha and Zid, 2012).

Online purchase intention is one’s intention to get involved in online transactions (Pavlou, 2003) and seems similar to that in conventional retail shopping (Eroglu et al., 2001). High-tech products are distinguished from the rest in terms of such criteria as the use of advanced technology, technologically based-uncertainty and product development in high tech environments (see OECD, 2005). Thus, it could be claimed that Mobile phones, Laptops, car navigators (GPS), PCs, DVD players and Digital cameras are high-tech product categories that meet some of the former criteria (Munnukka and Jarvi, 2011).

Although various likely drivers of purchase intention have been considered in the literature, this study focuses on consumers’ attitude towards SNS Adverts, Perceived Risk, Value for Money and Benefits linked to online transactions.

2.2 Value in terms of Money paid and Benefits received from on-line purchases.

Customers are considered value-driven when making purchase decisions (Sweeney and Soutar, 2001) as they are willing to dispose an amount of money reflecting the monetary value attributed to a product, in exchange of that product’s perceived value (Zeithaml, 1988). The latter is a “consumer’s overall assessment of the utility of a product (or a service) based on perceptions of what is received and what is given” (Zeithaml 1988, p.14). It is a multi-dimensional construct that includes hedonic and utilitarian values (Babin et al., 1994; Voss et al., 2003) reflecting both hedonic and utilitarian benefits that can drive online shopping (Wolfinbarger and Gilly, 2001).

Having acknowledged the above, this study mainly focuses on utilitarian benefits deriving from online shopping namely, the perceived Value-for-money and Value benefits associated with online purchases. Value-for-money suggests a “trade-off between quality and price” (Cravens et al., 1988, p. 287) or “the give and get components of a product” (Parasuraman and Grewal, 2000, p. 169). Although the perceived value effects on more complicated purchases requires further investigation (Sahadev and Jayachandran, 2004), there is sufficient evidence on the influence of value on purchase intentions (e.g. Zeithaml, 1988; Chu and Lu, 2007; Chi et al., 2009). Regarding online purchases in particular, consumers seek to maximize the benefits obtained, which suggests that value perceptions can influence consumers’ purchase intentions, online (Forsythe et al., 2006), too. Therefore:

H1: There is a positive relationship between Perceived Value for Money and online Purchase Intention for high-tech products.

H2: There is a positive relationship between Perceived Value Benefits and online Purchase Intention for high-tech products.
2.3 Perceived Risk on-line.

Purchase intention involves decision making under uncertainty; hence it involves an amount of risk (Bauer, 1960) defined as “the nature and amount of uncertainty or consequences experienced by the consumer in contemplating a particular purchase decision” (Cox and Rich, 1964, p. 33). Uncertainty reflects the probability of loss (or the importance of loss) linked to a purchase decision (Peter and Ryan, 1976). It varies among consumers because the former cannot always foresee their decisions’ outcomes in terms of loss or gain (Yaping and Jin, 2010). Risk applies to shopping in conventional and digital markets, too (Lopez and Molina-Castillo, 2008). This study focuses on perceived risks on-line, only. Shopping online is a risk bearing action that, according to shoppers, is rather more risky than traditional shopping (Lee and Tan, 2003; Bhatnagar and Ghose, 2004). In contrast, actions taken to reduce purchase generated risk can positively affect purchase intentions (Keeney, 1999). Thus, there should be a trade-off between perceived risk and purchase intentions, online (Kwon and Lennon, 2009; Forsythe et al., 2006), that is:

H3: There is a negative relationship between Perceived risk and Intentions to purchase high-tech products, online.

2.4 Attitude towards SNS Advertising (Ads)

Traditional and Web advertising are considered almost the same communication methods (Hoffman and Novak, 1996). Yet, the Web incorporates multimedia that is likely to lead to a communication advantage (Tung et al., 2006). SNS advertising endorses all types of advertising including explicit and implicit ones such as banner ads and fan pages, respectively; fan pages or brand-related “posts” are rather new advertising tools but banner ads and videos are considered similar to traditional advertising (Taylor et al., 2011).

Vakratsas and Ambler (1999) claim that advertising input has three effects namely, affect, cognition, and experience which then lead to a purchase. To be able to study the effects of SNS advertising on consumers, it is important to understand first, consumer attitudes towards SNS ads; even more so now that SNS have become key for e-business (Holzner, 2009). In this respect, consumers seem to accept SNS ads when these remain within reasonable limits (Clemons et al., 2007). Thus, positive consumer attitudes towards SNS ads are expected to influence product perceptions and ultimately, the will to make a purchase (Shimp, 1981; Mackenzie and Lutz, 1989). By implication:

H4: The more positive a customers’ Attitude towards SNS ads is, the greater the Intention to purchase high-tech products, online.

3. RESEARCH METHODOLOGY

The research design (i.e. sampling and contact methods, questionnaire development and the variables’ operationalization) follows below. The online survey was conducted via the most extensive SNS, namely Facebook. The sample was conveniently selected among Facebook users on the basis of accessibility and proximity to the researchers, only (Schreuder et al., 2001). The initial invitation to participate to the on-line survey followed a reminder. Almost 500 users were invited to complete the questionnaire, out of which 150 completed responses were gathered altogether, resulting into a 30% response rate, approximately. The profile of the sample drawn among Facebook users, consists mainly of people less than 35 years old (85%), female (55%), single (80%) and holding (one at least) university degree (87%), while almost 80% of them earn between 0 to €1000.

A structured questionnaire was developed on-line by adopting reliable, multi-dimensional scales from the literature to operationalize the constructs studied. Table 1 shows that the operationalization has a solid academic foundation. The instrument’s cognitive relevance to the respondents was evaluated and confirmed prior to data collection. Also note that the Gender, Age, Educational level and Income were used here, as control variables.
Table 1. Basic references for the multi-items measures employed

<table>
<thead>
<tr>
<th>Measures</th>
<th>Items</th>
<th>Basic References</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Independent Variables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitude towards SNS Ads</td>
<td>6</td>
<td>Taylor et al., (2011)</td>
</tr>
<tr>
<td>Perceived Value for Money</td>
<td>4</td>
<td>Sweeney and Soutar, (2007)</td>
</tr>
<tr>
<td><strong>Dependent Variable</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. DATA ANALYSIS AND RESULTS

The data were collected and retrieved on-line, thereby avoiding typing errors while speeding up data coding, editing and the subsequent statistical analysis.

First, the internal consistency-reliability tests employed make sure that all the above multi-item scales meet the reliability criteria prior to using them in the regression analysis to test the hypotheses set (Churchill, 1979). Indeed, the reliability calculations (see table 2, below) resulted into Cronbach’s alpha coefficients that are well over the minimum recommended level of 0.70 (Nunnally and Bernstein, 1994).

Second, following the descriptive analysis of the variables (see table 2), it seems that on average, the respondents place greater emphasis on the perceived value benefits and the value for money offered to consumers, on-line.

Table 2. Descriptive statistics and Internal consistency-reliability analysis for all scales.

<table>
<thead>
<tr>
<th>Measures</th>
<th>Mean</th>
<th>S.D</th>
<th>Min</th>
<th>Max</th>
<th>Items</th>
<th>Cronbach’s a</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Independent Variables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitude towards SNS Ads</td>
<td>3.37</td>
<td>1.39</td>
<td>1</td>
<td>7</td>
<td>6</td>
<td>0.874</td>
</tr>
<tr>
<td>Perceived Value Benefits</td>
<td>5.26</td>
<td>1.10</td>
<td>1</td>
<td>7</td>
<td>16</td>
<td>0.917</td>
</tr>
<tr>
<td>Perceived Value for Money</td>
<td>4.67</td>
<td>1.26</td>
<td>1</td>
<td>7</td>
<td>4</td>
<td>0.843</td>
</tr>
<tr>
<td>Perceived Risk on-line</td>
<td>4.15</td>
<td>1.13</td>
<td>1</td>
<td>7</td>
<td>15</td>
<td>0.904</td>
</tr>
<tr>
<td><strong>Dependent Variable</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Intention on-line</td>
<td>4.56</td>
<td>1.76</td>
<td>1</td>
<td>7</td>
<td>3</td>
<td>0.909</td>
</tr>
</tbody>
</table>
Third, multiple regression analysis was undertaken (see table 3) to test the four hypotheses and examine the combined impact of the independent variables on on-line purchase intentions for high tech products. No serious multicollinearity problems among the independent variables were noted as the VIF is below the 3 points limit suggested (see Saunders et. al, 2009). The data were also examined for outliers, skewness, kurtosis and multivariate normality using procedures and plots available by SPSS (16.0).

Table 3. Regression results relating to Purchase intentions, on-line

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Standardised Betas</th>
<th>On-line Purchase Intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude towards SNS Ads</td>
<td>0.046</td>
<td></td>
</tr>
<tr>
<td>Perceived Value Benefits</td>
<td>0.236***</td>
<td></td>
</tr>
<tr>
<td>Perceived Value for Money</td>
<td>0.246***</td>
<td></td>
</tr>
<tr>
<td>Perceived Risk on-line</td>
<td>-0.220***</td>
<td></td>
</tr>
</tbody>
</table>

Control variables

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>0.041</td>
</tr>
<tr>
<td>Age</td>
<td>0.069</td>
</tr>
<tr>
<td>Education level</td>
<td>0.089</td>
</tr>
<tr>
<td>Income</td>
<td>-0.075</td>
</tr>
</tbody>
</table>

Adjusted-$R^2$ 0.365***

** Significant at the 0.05,  *** significant at the 0.01,  (Valid N=85)

The results in table 3 show that the predictors capture a quite large proportion of change in the dependent variable, explaining almost 37% of the variance in purchase intentions. It is noted that unlike Attitudes towards SNS Advertising, the Perceived Value for Money (stand.b=0.246, p<0.01) and the Perceived Value Benefits (stand.b=0.236, p<0.01) exhibit highly significant positive relationships with on-line Purchase Intention. In contrast, there is a highly significant negative relationship with the Perceived Risk associated with on-line purchases (stand.b= -0.220, p<0.05). Last, the control variables were not found to have any significant effect on the aforementioned hypothesized relationships.

5. DISCUSSION AND CONCLUSION

In light of the above findings, it seems that the notion of Perceived Value as reflected in the dimensions of Value for Money and Value Benefits seems to be a key antecedent for high tech product Purchase intentions. Indeed the hypotheses H1 and H2 (see section 2.2) have found empirical support. Regarding the Perceived Risk associated with on-line purchases (see 2.3), H3 has been supported, too. With respect to the negative effect of risk on on-line purchases, different risk-reduction strategies have been suggested such as the payment security, the money-back guarantee and the
possibility to exchange or view a product even if the latter is presented on-line, through a web-camera or a video (Cases, 2002).

Surprisingly, there was no empirical support for H4 relating to Attitudes towards SNS ads (see 2.4) that has been rejected. Given that Facebook and other SNS are nowadays used as marketing tools more than ever before, this finding showing that consumer attitudes towards SNS ads do not really influence purchase intentions, is somewhat important to understand consumer behavior, on-line. According to Sashittal et al., (2012) p. 501, “Facebook users’ voices are clear: if it is not about them, it is not interesting”. In this respect Gruber (2006) argues that SNS have evolved into a push rather than a pull medium as far as advertising is concerned; this means, that SNS users are pushed by on-line ads as opposed to users’ pulling information from SN sites. As a result, users pay attention to an ad only when something of interest to them is advertised; if not, they choose to ignore it, no matter how attractive it may be (Gordon and De Lima-Turner, 1997). This is in line with Hadija et al., (2012) claiming that users do not really dislike ads; they just choose to ignore them. In fact, users may notice ads due to their design or an eye-catching color, but only for a second, because other user generated content may seem far more interesting (Hadija et al., 2012). Thus, marketers should better pay attention to developing a rather more attractive online presence to make users more sensitive to ads (see Sashittal et al., 2012).

Bear in mind however, that the above findings are preliminary only and should be treated with caution. Indeed, the first limitation of the study is that, it focuses on high tech product categories only, using a small sample of respondents drawn non-randomly out of a single SNS. Second, the sample’s demographics reflect an emphasis on younger consumers less than 35 years old. Due to the limited sample size and the set of variables examined, the study’s external validity is compromised (Saunders et al., 2009). A more representative sample is required to understand SNS users’ purchase intentions on-line, while future research should also look into a greater number of factors such as brand familiarity and perceived product quality (Dodds et al., 1991; Sheau-Fen et al., 2012), positive and negative E-Wom or information acquisition (Rehmani et al., 2011) to be able to shed more light into what actually drives consumer behavior, online.

References


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Abstract

Objectives: 1) Test the consumer animosities against Japanese, American, French products amongst Urban Adult Chinese Consumers (UACC). 2) Explore causes and consequences of consumer animosity. 3) Examine the moderating effects of locations, gender, age groups and education levels

Method: mixed methods approach adopted, conducted street surveys and face to face interviews in Shenyang - Northern China and Shenzhen – Southern China. In total, 367 questionnaires were collected and 12 interviews were conducted.

Findings: There was strong consumer animosity towards the Japanese, however, animosity directed at Americans and the French were relative low. Apart from previous identified factors such as Nanjing Massacre and economic concerns, this study discovered a wide range of sources. The impacts of animosity on willingness to buy have 3 distinct patterns: boycott, avoid and only avoid Japanese products if no better alternatives are available. Japanese animosity is stronger in Northern China. Gender and education levels have no significant moderating effects.

Conclusions and Recommendations: Animosity towards American and French were relatively low which suggests that China still is a safe market for American and French enterprises. Japanese enterprises in China should have crisis management practices in place. Forming local partnership could be a workable solution.

Keywords: Consumer Animosity, Country of Origin, Chinese Consumers, Japanese Animosity and Consumer Boycotts

1. INTRODUCTION

Since opening its doors for business in 1978, China has experienced rapid economic growth for more than 30 years. Alongside China’s economic transformation and increased wealth of Chinese citizens, many countries and companies outside China also benefited from this remarkable growth. A vast number of foreign goods and services have since entered into this once isolated middle kingdom. As China overtook Japan as the world’s second biggest consumer market in 2013, many have started to consider the Chinese consumer market as an engine of growth for the world’s economy (The Economist, 2014). In the past, it is automatically presumed that foreign products were considered favourably by Chinese consumers, what if they actually do not like you? A 2008 Council on Foreign Relations report suggested that nationalism is growing and there were anti-West sentiments in China, American products have been subjected to boycott campaigns (Council on Foreign Relations, 2008). There were also internet campaigns to boycott French products after the immediate aftermath of the pro-Tibetan protesters disrupting the 2008 Beijing Olympic torch relay (Bloomberg, 2008). Campaigns for boycotting Japanese products have been popular for a number of years and it turned particularly widespread after the islands dispute in September 2012 (Financial Times, 2012). This study aims to a) examine the level and extent of Urban Adult Chinese Consumers (UACC)’s animosity towards the Japanese, American and French b) to assess whether Consumer Animosity (CA) affects willingness to buy c) explore the sources of animosity and d) test the impact of location, gender, age group and education level.

2. LITERATURE REVIEW

2.1 Consumer animosity

Klein, Ettenson and Morris (1998) introduced the concept of CA. It defined the construct of animosity as “the remnants of antipathy related to previous or ongoing military, political, or economic events” (Klein et al., p.90, 1998). It established that consumer animosity will negatively impact on the willingness to buy. Chinese consumers harbour animosity towards Japan, due to historic concerns particularly the Japanese occupation during WW2 and the key event of the ‘Nanjing Massacre’, were unwilling to purchase products from Japan. In addition, this impact is independent of the product quality judgements. Klein et al. (1998) summarised the causes of animosity as war based and economic based factors and constructed the animosity model. Klein and Ettenson (1999) and Klein (2002) argued that CA and
‘Consumer Ethnocentrism’ (CE) are conceptually distinct. CE is about consumers’ general beliefs towards foreign products, whereas CA is specific to a particular country and is the result of hostilities stemming from consumers’ perceptions of a target country’s actions. CE affects product judgments and purchase intentions but CA influences purchase intentions that are independent of product quality evaluations. Fernandes-Ferrin et al (2015) further concluded CA and CE are conceptually extinct.

Shin (2001) validated the animosity model in the Republic of Korea. Similar to China, Korean consumers’ animosity towards Japanese negatively affected their willingness to purchase Japanese products, independent of product quality judgment. Nijssen and Douglas (2004) concluded if domestic alternatives were available, Dutch consumers harbour animosity towards Germany were less likely to purchase German products. Ettenson and Klein (2005), Edwards et al. (2007) and Amine (2008) adopted longitudinal approach, and concluded CA could have long lasting effect. Bahae and Pisani (2009a) found that animosity significantly affected Iranian consumers’ purchase intentions of American products. Demographic variables such as age, gender, income and experiences of foreign travel were concluded to be relevant to the levels of animosity. Bahae and Pisani (2009b) suggested education level was found to be significant, as more highly educated consumers seemed to distribute some of the blame to their own government. Maher and Mady (2010) discovered social pressure as an important factor. Amine, Chao and Arnold (2005) and Edwards et al. (2007) both suggested that working with local partners could reduce the effects of animosity. Jimenez and Martin (2010) concluded that using firm’s reputation and building trust could override possible effects of animosity and Lwin, Stanaland and Williams (2010) proposed the use of symbols to emphasis the shared meanings and understanding could overcome negative animosity associations.

2.2 Source of animosity
Klein et al. (1998) identified war and economic based factors as the sources. Although some other issues had been highlighted, such as the French nuclear test in the South Pacific Ocean examined by Ettenson and Klein (2005), Edwards et al. (2007) and Haslop, Lu and Cray (2008), cultural intrusion by Russell and Russell (2006), war and economic based animosity were widely adopted as the standard sources of animosity. Riefler and Diamantopoulos (2007) suggested that other relevant sources of animosity were ignored, which subsequently identified foreign and economic policy, war in Iraq, religion, identity and mentality all contribute to the animosity of Austrian consumers aimed at United States, Germany and Turkey. It further classified the sources of animosity into war-related, political, economic and personal reasons. It indicated that as a fundamental issue of CA, sources of animosity in different countries need further investigation and this could result into some adjustments to the original animosity model proposed by Klein et al. (1998). Lee and Lee (2013) suggested there are major differences between historical animosity and contemporary animosity.

2.3 Types of animosity
Jung et al. (2002) and Ang et al. (2004) identified 4 different types of animosity: stable animosity, situational animosity, personal animosity and national animosity. Stable animosity refers to negative sentiments arising from a historical background such as previous economic or military clashes between countries. Situational animosity, however, refers to the negative feelings associated with a specific circumstance. Situational animosity tends to be short-term and not as deep rooted in societies. National animosity towards a country is based on perceptions of how well that foreign country has treated the home country. Personal animosity could be based on negative personal experiences one has with the foreign country or with people from that country. Leong et al. (2008) supported these animosity classifications.

3. RESEARCH METHODS
3.1 Mixed methods
The investigation of CA was a major part of a wider study examining the effects of country of origin, consumer ethnocentrism and consumer animosity on UACC’s product preference and willingness to buy. It adopted a mixed methods approach consists of street survey and semi-structured interviews. Due to the political sensitiveness of this topic in China, certain attitudes and beliefs could not be tested and discussed on the street, the semi-structured interviews conducted in private were designed to enable participants to openly express their views, therefore sources of animosity and its impact on purchase intentions could be thoroughly explored.

3.2 Measurement
Taken into account of the arguments of Riefler and Diamantopoulos (2007), this study adopted the statement developed by Klein et al. (1998) to test the general animosity and omitted war and economic based animosity statements. Two more statements were added to test animosity’s impact on willingness to buy and impact of domestic alternatives as previously investigated by Nijssen and Douglas (2004). The 3 items measurements were: I don’t like the Japanese/French/Americans; I never buy Japanese/French/American products; I only buy Japanese/French/American products if there are no domestic or other alternatives available.
3.3 Locations, gender, age groups and education levels
Both street surveys and semi-structured interviews were conducted in two Chinese cities – Shenyang in Northern China and Shenzhen in Southern China to compare regional differences. Shenyang was occupied by the Japanese during WW2 and Shenzhen as a new city has no wartime experience. Demographic information such as gender, age groups and education levels were collected to test the relevance of these variables as previously tested by Bahaee and Pisani (2009b).

4. RESULTS AND DISCUSSIONS

In total, 367 questionnaire were collected, 170 in Shenyang-Northern China and 197 in Shenzhen- Southern China. Twelve semi-structured interviews were conducted, 6 in each city.

4.1 Animosity towards the Japanese, American and French
The results suggested that UACC’s animosity towards Japanese was relatively high, with 53.7% respondents indicated that they don’t like the Japanese. By contrast, animosity towards the Americans and French were relatively low, 11.7% and 10.4% respectively. Wilcoxon Signed Ranks test confirmed that there are significant differences between animosity towards the Japanese and animosity aimed at the Americans and French. It is consistent with the previous findings of Klein et al. (1998) and Ishii (2009), that 16 years after the original study Chinese consumers still harbour strong animosity towards the Japanese. It provides further evidence to support Edwards et al. (2007) and Amine (2008) that animosity could have long lasting effect. The qualitative findings also support Jung et al. (2002) and Ang et al. (2004)’s classifications of animosity. There were stable animosity towards the Japanese and situational animosity towards the French and Americans which were tricked by sudden events such as diplomatic clashes. It appears both national and personal animosity existed towards the Japanese.

4.2 Sources of animosity
Apart from factors been previously identified, such as Nanjing Massacre and economic concerns, this study discovered a wide range of sources including school education, media influence, Japan’s close relationship to United States and attempts to curtail China’s influence, concerns for further military clashes, Japanese government attitude towards war past, perceived consumer discrimination by Japanese companies, peer pressure etc. all contributed to UACC’s animosity towards the Japanese. This study answered the calls of Riefler and Diamantopoulos (2007) that instead of assuming the standard war and economic based factors proposed by Klein et al. (1998), further sources of animosity should be explored and tested.

4.3 Animosity, domestic alternatives and willingness to buy
The Spearman’s Rank Order Correlation confirmed there is a strong positive correlation between consumer animosity and unwillingness to buy Japanese products. It means the greater animosity displayed towards the Japanese, the less willing to buy Japanese products. The qualitative findings supported Klein et al. (1998), Klein and Ettenson (1999) and Klein (2002) UACC with animosity towards Japanese were unwilling to buy Japanese products while accepting Japanese products have good quality. The findings also support Nijssen and Douglas (2004) which concluded that war animosity appeared to play a greater role in affecting willingness to buy, when there was a local alternative available. If there is a viable domestic alternative, UACC expressed a strong desire to purchase Chinese products. The qualitative findings further indicate depending on the levels of animosity, there are 3 distinct purchase patterns: boycott, avoid and only avoid Japanese products if better alternatives are available.

4.4 Locations, gender, age groups and education levels
Whilst a Man-Whitney U test confirmed there was no significant difference between genders, there was significant difference of animosity levels between Shenyang and Shenzhen. It suggested that Northern China has stronger animosity towards Japanese than UACC living in Southern China. Kruskal-Wallis tests suggested that significant differences occurred between age groups, older generations appeared to have stronger animosity towards the Japanese than the younger generation. However, contrast to Bahaee and Pisani (2009b), education levels were found to have no significant differences. This could be explained by the fact that Japanese invasion were taught extensively in Chinese schools’ history education.

5. CONTRIBUTION AND IMPLICATIONS
This study contributes to the understanding of consumer animosity by identifying a wide range of sources of animosity in China. It does not restrict to merely historic issues such as war and related atrocities, but have wide range of causes expanding far behind war and economic based factors. Issues including school education, media influence, Japan’s close relationship to United States and attempts to curtail China’s influence, concerns for further military clashes, Japanese government attitude towards war past, perceived consumer discrimination by Japanese companies, peer pressure etc. all contributed to UACC’s animosity towards the Japanese. This indicates Japanese animosity in China is a much more complex social and cultural phenomenon than originally suggested.
Animosity towards American and French are relatively low and it appears to be triggered by sudden events. It suggests that China still is a safe market for American and French enterprises. However, Consumer animosity towards the Japanese is quite strong and appears to be deep-rooted in society. Japanese animosity’s impact on willingness to buy is not a simple boycott or no boycott option. It depends on the level of animosity and availability of domestic alternatives. Some UACC could exercise a complete boycott or avoid Japanese products when possible. This animosity could be reinforced by ongoing or further events, Japanese investments are vulnerable in China and they could become targets of nationalistic Chinese consumers. Japanese enterprises should have crisis management procedures in place. Forming local partnerships could be a workable solution, as suggested by Amine et al. (2005) and Edwards et al. (2007).

Perhaps the real solution lies in the hands of both Japanese and Chinese governments to work on improving diplomatic relations, resolving historic baggage, building mutual trust and finding a pragmatic way to deal with differences. After all, Chinese-Japanese cooperation would bring stability and prosperity to both countries. Otherwise, tension and conflict between two of the world’s largest economies and military powers will have damaging consequences that would be felt around the world.

References


The relationship between consumer acculturation and purchase intentions for home and host countries

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Abstract:

The acculturation of consumers to a host country while, at the same time, maintaining ties with their home country, provides a unique opportunity to examine consumers’ product purchase intentions in the context of dual country affiliations. This study has been conceptualized using a distinct ethnic group within Canadian society to examine the role of acculturation in its members' likelihood to purchase products from the perspectives of the consumers’ home and host countries. Findings reveal that (a) consumer acculturation is a complex construct that requires more conceptual and methodological clarity, (b) the acculturation process of ethnic groups into mainstream society is of particular importance to the prediction of their purchase intentions toward home and host countries, (c) integration with the home (ethnic) culture does not necessarily imply less acculturation into and/or less likelihood to purchase from the mainstream society, and (d) despite the use of language cues revealing critical acculturative tendencies toward home and host societies; it is theoretically and statistically undesirable to rely on them as a sole predictor of acculturation, rather the effects of the acculturation process on consumers’ preparedness to purchase the products of home and host countries were examined in relation to language, cultural, and social measures.

Keywords: acculturation, likelihood to purchase, purchase intentions, ethnic consumers, host country

1. INTRODUCTION

Recent studies have shown that as consumers from around the world are coming closer together along socioeconomic factors, cultural variables account for more consumption variation across countries (Cleveland et al., 2011; De Mooij, 2004). There are some historical events, social structures, and cultural and religious beliefs, that eventually shape how places are collectively perceived, by people at large, in particular, by members of the same ethnic group. Research in this area has found that the level of acculturation can affect the consumption patterns of local consumers of various ethnic backgrounds and therefore market behaviour overall (Askegaard et al., 2005; Luedicke, 2011; Oswald, 1999; Peñaloza, 1994; Üstüner and Holt, 2007; Wallendorf and Reilly, 1983).

The fact that consumers who migrate from one country to anotherhave ties with both the country with which they are ethnically affiliated and their country of residence, which will be referred to, respectively, as the “home” and “host” countries, provides a unique opportunity to study behavioural differences constructed around ethnic consumers’ adoption of another consumer culture. The internal struggle between the desire to acculturate and identify with the mainstream culture in the host country, and at the same time counter-identify with it to assert one’s identity with the home culture, makes it equally relevant, yet more complicated, to further investigate how ethnic consumers’ “hybrid” cultural orientation can influence their acculturative tendencies and further contribute to their product purchase intentions.

It is evident that as the population of ethnic minorities grows in most developed countries, ethnic groups are forming larger influential bodies, posing a significant opportunity for several stakeholders, including businesses that offer products and services as well as governments that seek support for their policies. In their review of marketing theory, Kotler and Keller (2006) note that in order to develop a successful and sound marketing strategy, each market segment needs to be identified and closely examined. Moreover, as emphasized by Peñaloza (1994) further research on the factors that influence ethnic groups’ decisions to purchase host market products is crucial for the development of theory pertaining to consumer behaviour.

The study of acculturation and its effects on buyer behaviour is of sufficient importance to warrant considerable research attention, not only in such traditionally multicultural countries such as Canada, the U.S., or Australia, but also in countries like France, the UK, and Holland, where growing immigration is rapidly changing the population’s demographic profile. Yet in order for the research to yield useful and meaningful outcomes, more
conceptual and methodological clarity of the acculturation construct is needed. Within the marketing literature, the acculturation findings to date are oftentimes contradictory and have been criticized on various grounds, such as incomplete conceptualization or the use of weak methodologies.

Against this backdrop, the present study intends to i) examine the effect of acculturation on purchase intentions in a multi-ethnic society, ii) delineate the conceptual boundaries of the acculturation construct, and iii) further highlight the implications of acculturative variations appertaining to the construct’s multiple dimensional measures.

Following this introduction, the paper reviews the theoretical underpinnings of acculturation in marketing and such other cognent disciplines as social psychology, to further investigate its meaning, its principal dimensions, and how best it might be measured. Next, the paper outlines the research methodology, presents the main results, and highlights the study’s key conclusions and research implications.

2. CONCEPTUAL DEVELOPMENT

Acculturation is a phenomenon of “cultural interpenetration”, in which members of distinct ethnic groups interact and influence each other’s behaviours (Andreasen, 1990; Gentry et al., 1995). Acculturation refers to an individual’s or group’s learning and adoption of the values, norms, attitudes, traditions, language, religion, etc. inherent in another culture (Pires and Stanton, 2000). Wallendorf and Reilly (1983) define acculturation as changes in behavioural patterns of an immigrant specifically in language, dress, and food.

Consumer acculturation is a subset of acculturation that is related to consumption activities (Gronhaug et al., 1993). It focuses on the process of acquiring the appropriate set of knowledge, skills, and attitudes to adopt an alternative consumer culture (Cleveland and Laroche, 2007). It can be viewed as “an eclectic process of learning and selectively displaying culturally defined consumption skills, knowledge and behaviors” (Peñaloza, 1989, p. 110).

The degree of adaptation to the new consumer culture varies in strength from one individual to another. Consumer acculturation outcomes may vary from the complete adoption of foreign consumption practices, to the mixing of alternate behaviour with current culture, or even to over-identification with one’s ethnic culture and a concomitant total rejection of the foreign culture (Cleveland and Laroche, 2007). The consumer’s cultural environment to which one adapts can refer to family, friends, social and religious institutions, and media from both the home and host cultures (Peñaloza, 1994).

The acculturation tendency of ethnic individuals to host cultures is explained in the literature according to two major theoretical perspectives: one bases its work on the straight-line theory; while the other focuses on the two-way interaction process between ethnic and host cultures. The straight-line theory posits that ethnic individuals fully assimilate into the host culture (Gans, 1979). Based upon this traditional theory, full assimilation emerged as the dominant mode of acculturation. Many researchers note that the straight-line theory overestimates acculturation and assimilation effects on immigrant ethnic cultures (Gans, 1979; Gentry et al., 1995; Lerman et al., 2009; O’Guinn and Faber, 1985; Peñaloza, 1994).

More recent acculturation research has focused on the two-way interaction process between the culture of origin and the host culture (Askegaard et al., 2005; Hmida et al., 2009; Lindridge et al., 2004; Oswald, 1999; Üstüner and Holt, 2007). From this perspective, the transformation of ethnic identities as well as the extent to which ethnic consumers adopt or reject certain cultural elements from both their home and host cultures vary due to individual, cultural and contextual factors (Atkinson et al., 1979; Berry, 1990; Gentry et al., 1995; Peñaloza, 1994). According to Laroche et al. (1997) differences in values, identities, ethnic backgrounds, communication networks, and frames of reference between French and English Canadian consumers have influenced their consumption patterns. Acculturation outcomes are based on the extent to which ethnic consumers adopt or reject certain cultural elements from both their home and host cultures (Luedicke, 2011).

Overall, the acknowledgement of acculturation as a “multidimensional, dynamic, multicultural, involving multifaceted individuals” process, which is inconsistent with the traditional assimilation model, contributes to the complexity of marketing to ethnic groups and calls for “measures sensitive to individual differences” (Pires and Stanton, 2000, p. 47). Even though acculturation is known to be a multi-dimensional construct that cannot be captured using a single measure, several studies have used solely language usage or demographic descriptors, such as length of stay in the host country as a single acculturation indicator (Gentry et al., 1995, O’Guinn and Faber, 1985, Pires and Stanton, 2000; Pires et al., 2003).
3. METHODOLOGY AND SAMPLING OUTCOMES

The study has been conceptualized using a distinct ethnic group within Canadian society, the Egyptian-Canadian community, to test their perceptions toward their home and host countries with reference to their acculturative tendency. This community constitutes the second largest Arab ethnic group in the country, is of a pluralistic nature, and has considerable variability when it comes to its acculturative tendency (Abu-Laban, 2008).

The study used a structured, self-administered research instrument, which incorporated an acculturation scale that includes both cultural and social measures of acculturation (Cleveland et al., 2011; Faber et al., 1987; Gentry et al., 1995; Peñaloza, 1994), as well as language and media usage measures (Cleveland et al., 2011; Faber et al., 1987; Gentry et al., 1995; O’Guinn and Faber, 1985). Four cultural identity items, borrowed from Cleveland et al.’s (2011) measure of "Local Culture Interpersonal Relationships", were used (e.g. most of my friends are (ethnic) individuals, most of the people that I go to parties or social events with are also (ethnic) individuals). These items were phrased in relation to the home instead of host culture following the approach of Gentry et al. (1995) and other studies, which conceptualize acculturation as the obverse of one’s ethnicity (i.e., disagreement with the statements suggests a higher level of acculturation, and vice versa). Moreover, membership in ethnic organizations is considered another cultural identification measure of acculturation (Faber et al., 1987). Ethnic members who are more involved with ethnic organizations are expected to exhibit a slower acculturation process (Peñaloza, 1994). Drawing on these findings, an item was further added to measure the degree of involvement with ethnic organizations within the host country. Additionally, four-language measures were adapted from Gentry et al. (1995) and Cleveland et al. (2011). They included questions about speaking in the home language with family and friends, feeling comfortable speaking in the host language(s), and dealing with business contacts in the host language(s). Finally, an item that examines ethnic consumers’ language preferences for movies or T.V. shows was further adapted from the LMEDIA scale of Cleveland et al. (2011). Overall, a total of ten items were used to capture the acculturation construct.

Participants were selected via a purposive mixed-method procedure in two major cities in Canada, the country's largest (Toronto) and its capital (Ottawa), based on two criteria to mirror the population as closely as was feasible: variety and contrast (Peñaloza, 1994). The questionnaire was distributed both online and in hard copy format, and with help from key informants and facilitators such as community leaders. Response rates were satisfactory, at 30% from the online and 49% from the hard-copy distribution. Following data cleaning, a total usable sample comprising 308 Egyptian Canadians was obtained. This sample size is considerably larger than those used in similar consumer ethnic studies (see Pires et al., 2003; Rajagopalan and Heitmeyer, 2005; Rosenbaum and Montoya, 2007; Xu, Shim, Lotz, and Almeida, 2004). The overall demographic profile of the final sample was highly suitable for the purposes of the study and reasonably reflective of the Egyptian Canadian population. The proportions of male and female participants were 46.1% and 53.9%, respectively, reflecting a good gender distribution. The sample also had a good age distribution, with 80% of the total in the 20-49 age range. A noticeable majority of the participants, 85.1% of the sample, were college or university graduates. This is generally consistent with education levels in the Arab population of Canada overall, as Statistics Canada reports that "Canadians of Arab origin are twice as likely as other Canadians to have a university degree” (Statistics Canada, 2007), and the large representation of educated consumers is very common in international marketing research, since the most educated individuals are the ones who tend to reply to such studies. As pointed out by Cleveland, Laroche, and Papadopoulos (2009) such respondents represent opinion leaders within ethnic communities, which is “a desirable quality since they influence the views of others in the mass market and are therefore of particular interest to international marketers” (p. 250).

4. RESULTS AND DISCUSSION

The data analysis was conducted in two main parts. An exploratory factor analysis (EFA) was first used to identify the factor structure for the acculturation construct. Second, multiple linear regression analyses were undertaken to examine the potential effects of acculturation variables on likelihood to Purchase across home and host countries.

1. EFA: Consistent with the proposed measures of acculturation extracted from the literature, the EFA resulted distinguished between three measures of acculturation, one related to social interactions and two related to language use. The first factor, ACC-Social, refers to the cultural and social aspects of acculturation, measured by items such as “going to parties with ethnic friends” and “involvement with ethnic organizations” which are in line with Cleveland et al. (2011), Faber et al. (1987), and Peñaloza (1994), and accounted for 41% of the variance. The second and third factors are language-based measures of acculturation drawn from previous research (Cleveland et al., 2011; Gentry et al., 1995; Laroche et al., 1997). The second factor, ACC-Lang-1, accounts for 20.08% of the variance and refers to the frequency of using the host country language – in this case Canada’s official languages of English and French. The third factor, ACC-Lang-2, refers to the "home" (ethnic affiliation) language used with family and friends, in this case Arabic, and accounts for 10.43% of the variance. The corresponding Cronbach alphas are 0.88, 0.78, and 0.82 respectively for the first, second, and third factors, showing high internal reliability among the items representing each factor.
For the dependent variable, “Likelihood to Purchase” (LTP), a two-item measure which consists of “willingness to buy” and "willingness to try" was used in the regression analyses. The composite LTP scale had a Cronbach's alpha of 0.92 to 0.91, respectively, for Egypt and Canada, supporting the viability of the chosen measures. Figure 1 is a graphical representation of the relationships between the study variables that are examined in the following regression analysis.

![Figure 1: Conceptual Framework for Study Variables](image)

2. Regression: Social aspects of acculturation (ACC-Social), for instance, attending ethnic events, having close relationships with ethnic friends, and becoming involved with ethnic organizations, were positively related to LTP from Canada ($\beta = 0.18$, $p < .05$). Thus, inconsistent with previous research, the more an ethnic consumer is socially involved in his/her ethnic community, the more he or she is willing to buy products from the host country. This reveals an interesting finding; namely, social interaction within an ethnic group does not necessarily imply a negative effect on the purchase behaviour toward the host country. As suggested by the results, social involvement in the home culture positively strengthens the LTP from the host country. There were no significant effects of social acculturation on the home country products.

ACC-Lang-1, the first language measure of acculturation, which refers to the comfort level of using the host language(s), in this case English or French, in business and/or media contexts, showed a significant negative impact on LTP products from Canada ($\beta = -0.30$, $p < .05$), and no significance in the case of Egypt. The overall negative effect implies that the more subjects feel uncomfortable to speak in the host language(s) (i.e. the less acculturated they are), the less will be the Likelihood to Purchase products from the host country. Thus, consistent with previous findings, the more a consumer is uncomfortable speaking the host language, the less acculturated he or she is likely to be, and therefore the less the Likelihood to Purchase from the host country.

ACC-Lang-2, which represents the frequency of speaking in the ethnic language with family and friends, showed a positive impact on LTP from the home country ($\beta = 0.17$, $p < .05$), while it showed no significant impact on LTP from Canada. However, as mentioned earlier, language alone can be a misleading indicator of high or low acculturation levels, and therefore its impact on acculturation needs to be dealt with caution and the relationships need to be further examined taking into consideration other measures of acculturation.

5. IMPLICATIONS AND CONCLUSION

People today “rub shoulders daily with persons, ideas, and products from scattered parts of the globe, setting afoot a process of cultural and psychological adaptation to their new circumstances” (Berry, 1989, p. 201). This study reveals that the acculturation process of ethnic groups into mainstream society is of particular importance to the prediction of their purchase intentions toward their home and host countries.

There are many cultural aspects that have relative importance for different ethnic groups; these include but are not limited to language, social involvement into home and host societies, religiosity, and cultural practices. It is therefore important to carefully pose cultural questions that are either applicable to all cultures or specific to the one under investigation. Universal measures that have not been validated within different cultural contexts need to be
treated with caution. A replication of this study on a different ethnic group about their likelihood to purchase products of home and host countries can help in reaching a more refined classification of acculturation dimensions in the context of international consumer behaviour.

The two acculturation language measures used in the current study showed mixed results across home and host countries. It was anticipated that feeling “uncomfortable” communicating in the “host” language would negatively contribute to the likelihood to purchase products from the host culture. The second language measure, which represents the frequency of speaking in the ethnic language with family and friends, showed that individuals who spoke the home language were more comfortable adopting home country products. A reasonable question to ask here is “what are the other factors that can explain the relationship between the language measures of acculturation and the purchase intentions in regards to the home and host countries?” It could possibly be that participants who are comfortable with and are frequently exposed to the host language experience more positive place and people relationships with reference to the host society through business encounters and media exposure, whereas participants who were less comfortable with the host language are less exposed, which ultimately translates into fewer intentions to purchase host country products.

On the other hand, items representing social acculturation measures did not show any positive influence on purchase intentions from the home country. Contrary to previous research that postulates ethnic members who are more involved with ethnic organizations to be less acculturated to the host culture (Faber et al., 1987; Peñaloza, 1994), findings revealed a positive relationship with the host culture manifested in the likelihood to purchase its products. This is inline with the work of Berry (1990) where the person decides to maintain his or her cultural values while integrating with the larger social network. In this mode, an individual can maintain an in-group identity while fostering out-group relationships.

We found evidence that suggests it may be theoretically and statistically undesirable to rely on language as a sole predictor of acculturation. For instance, an alternative measure, noted in the literature, is the degree to which an ethnic member feels part of the society, can be considered an additive cultural measure of acculturation (Luedicke, 2011). Items that can contribute to this measure can be “feelings of being unaccepted”, and “discrimination by members of the host society.”

In sum, future research could stand to benefit by studies focusing on delineating the conceptual boundaries of consumer acculturation. Using a more fulsome, theoretically derived measure of acculturation allowed us to uncover important nuances that had not yet been reported.

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A cost effective method of international marketing research for Turkish exporter SMEs: a Japanese market case study

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Abstract

International Marketing research is an essential tool to develop international marketing strategy. Basically, it is developing a survey, applying it to consumers and drawing valuable information from the results. But many exporter small and medium enterprises (SMEs) in Turkey cannot use it because of high costs, complexity, and lack of expert staff as it is described in introduction section below. So, is there any simple and low cost marketing research method for them? Our answer is yes. We think, as a lower cost and simpler method, instead of developing and applying a survey for consumer at targeted country, a modified consumer survey which is applied to enterprises such as importers at projected export market can be used for international marketing research. In other words, on the purpose of decreasing budget and complexity, a business to business international marketing research can be used even for a consumer product. We believe, not same, but at least enough results and information can be acquired with this method as it is described in logic of the method below. So, in this paper we propose a method of international marketing research which is easier and lower cost method than marketing research on consumer and even provide nearly same valuable data. We hope this kind of method is especially very useful and important for SMEs that generally don’t have enough budgets to perform an international marketing research on consumers. The main aim of this paper is to start a debate and increase studies on cost effective and simple international marketing research method that can be used by SMEs.

In order to test our method effectiveness, we had developed a survey for Turkish olive oil at Japan market. We had made a lot of interview with Japanese importers and Turkish exporters to take their opinion about this method and questionnaire. It seems applying developed questionnaire to enterprises in Japan can provide us enough useful information to develop a marketing strategy. So this cost effective method can be used by SMEs for international marketing research to develop marketing strategy for their targeted country.

Key words: International Marketing Research, Survey, Turkey, Japan, Cost Effective

1. INTRODUCTION

Marketing research is the method of collecting and analyzing data in order to help product and service supplier to understand their clients’ needs and demands (CHISNALL, Peter M, 1992). It is an essential part of marketing strategy. For developing a better marketing strategy and determining better marketing mix, organizations should carry out marketing research on their target market continuously. Generally marketing research is conducted by developing a survey and applying it on consumer of the product or service in order to understand consumer behavior. So normally this kind of survey will be applied on consumers by using interviewers. To obtain valid results, a sufficient number of participants should respond questionnaire. And of course, enough interviewers are needed. To increase response rate,
small gifts can be used to motivate consumers to participate in the survey. As a result, these requirements increase the budget of the research.

International marketing research can be defined as a type of marketing research on different countries and cultures. It is more complex, time consuming and costly than domestic ones. Most important difficulties on International marketing research is obtaining respondents, finding and training interviewer in a different country and culture (DOUGLAS, C. Samuel Craig and Susan P., 2005). Therefore, international sampling and application of surveys are more costly than domestic one.

There are several ways to enter international markets; some of them are direct exporting, Licensing, Franchising, Joint Ventures (ROOT, Franklin R., 1994). At the early stage of international trade, the companies generally choose direct exporting. If a company is a small and medium sized enterprise (SME) than direct exporting may be the only option. As it is described above international marketing research on consumer is very costly and complex work. So it will be difficult for SMEs to do that kind of research. Then, how can they develop their marketing strategy and marketing mix for their target export markets? The SMEs generally uses exhibitions and sometimes market report that is issued by governments’ related departments or special marketing research companies’ reports. Regarding exhibition they may visit an exhibition in the target market to observe and learn information about that market or they exhibit there for not only trying to find clients but also to take feedback from them about market. But, are these methods really sufficient or even necessary to earn enough data to develop an effective international marketing strategy for targeted country? At that point our proposing method can be a very useful method for SMEs who wants to earn enough information about their target export market by using little resources. At the following sections, proposed method will be described with a practice on Japan market for Turkish exporters.

2. COST EFFECTIVE METHOD OF INTERNATIONAL MARKETING RESEARCH

The classic international marketing research on consumers may not be an appropriate tool for an SME because of it is cost, as it is described at the above. But without doing a marketing research and developing a proper marketing strategy, marketing activities such as attending an exhibition, may be waste of resources for the companies. So they need a low budget, but an effective method. In this section we propose this type of method.

Our method basically consist of three steps: reading reports and papers, developing a survey for enterprises at the target country, and then applying it. At first, an SME should make a market research about their targeted country by using secondary resources such as published market reports. Then they should develop a marketing survey for industrial professionals not for consumers by using some simple methods that will be described below. After applying this survey to the enterprises such as importers, distributors, retailers in target market, we believe that they can get enough information to develop an effective marketing strategy. So after developing an appropriate marketing strategy and marketing mix, they can start marketing activities such as attending exhibitions.

2.1. The Logic of The Method

Enterprises should know their clients’ behavior. So they demand the product or services based on their clients’ demand. As a result, if we can learn enterprises’ behavior and preferences then we can learn average preferences and behavior of all their clients. This means just one respond from a company may be valuable as hundreds or thousands consumers’ response. If we think vice versa and assume that enterprize don’t understand their client needs and requirements then even if your product and marketing mix is appropriate for the market, but if you are trying to do direct
exports then you cannot sell your products there too. Because you cannot sell directly to consumer and your client (importer) will not choose you because of they believe this product is not suitable for their client (consumer). As a result, if a marketing research on enterprise can provide enough data for us, then, why an SME should do a research on consumer which is much more costly.

Another advantage of this method is a survey application to industrial professionals is much easier than consumers. As it is mentioned before, it is difficult to take response from consumers to questionnaires. But regarding enterprises, if you will promise to share some results with the respondents, then they may have more enthusiasm, so respond rate can be high without increasing budget with gifts, etc. In the practice section we give some example about sharing survey results.

2.2. Survey Development Method

There is lots of information about survey or questionnaire development (PROCTOR, Tony, 2003). In this section we only try to describe some basic special methods to develop a survey for enterprises. First, we should determine our purpose by developing a marketing research. We need to learn our clients’ preferences about the product that we want to sell to them in order to modify our marketing mix. But also, we need to know their supplier selection criteria. So, we can develop an appropriate marketing strategy. According to this aim, we can modify a consumer survey for enterprises such as importers, distributors, retailers in target market to measure clients’ preferences about the product. Regarding supplier selection criteria, we can use a general questionnaire. Or we can develop it by using some interviews with importers about supplier selection criteria. At the following section, we will describe our practice about development a survey for enterprises.

3. PRACTICE ON JAPAN OLIVE OIL MARKET

We choose Japan as international market for Turkish exporter and olive oil as product because Turkey is one of the largest olive oil producer in the world, but current market share in Japan is just 5%. We believe if our exporters do enough marketing research on Japan market, then they can develop better marketing strategy, so they can increase their market share. In this section we will show how to develop a survey and plan to apply it with a very little budget.

As a beginning, we had read market reports on Japan food sector and olive oil. Also we had studied on some consumer survey research for olive oil (SELINA WANG, Ben Moscatello, Dan Flynn, 2013), (GIUSEPPE DI VITA, Mario D’Amico, Giovanni La Via, Elena Caniglia, 2013), (NADHEM MTIMET, Kiyokazu Ujiie, Kenichi Kashiwagi,Lokman Zaibet, Masakazu Nagaki, 2011). Then we had taken some questions from these surveys and modified them for enterprises. As modification, we add percentage to the olive oil types, because an importer may purchase different type olive oils, so we cannot ask them to choose only one type. And we assume that the respondent know international olive oil standards (INTERNATIONAL OLIVE COUNCIL, 2013). So we didn’t add some detail information. After the modification of consumer surveys, we conclude our survey’s section 3 that consists of questions about product and price. We expect to measure Japan enterprises’ olive oil preferences in order to develop marketing mix by using this section.

Regarding supplier selection criteria, we had studied some similar research (KIRAN KARANDE, Jungbok Ha, Anusorn Singhapakdi, 2008), (CONSTANTINE S. KATSIKEAS, Ali Al-Khalifa and Dave Crick, 1997) and we had read interviews with importers (FOODEX JAPAN, 2015) and draw supplier selection criteria from them, then, we used these criteria to generate the survey section 2 that is about olive oil supplier selection criteria.
Regarding section 1, which is about relation with Turkey; we used it to define respondent’s relation with Turkey and preferred supplier country. This section can be used to make some correlation analysis. For example, we can analyze to see if there is any correlation between preferred country and supplier selection criteria or preferences about olive oil.

Regarding last section, we add some questions for the purpose of determining marketing communication. We asked if they have some suggestions about exhibitions, product contests, and business to business web portals which are used to communicate with potential clients. So we may choose best option to find new clients. The final version of survey is given at the Appendices A below.

Regarding application of this survey, with intend of calculating cost, we had contact with a local market research company in Japan (TONEGAWA, Masanori, 2015). The company gave us a quote to make this survey application in Japan for only 2200 USD. This fee include preparation of questionnaire in Japanese; listing, contacting by phones, specifying right persons, sending our survey sheets at least 150 company, collecting them, communication fees including telephone charges. As a result, by using a few basic steps, it will be very easy to develop a marketing research survey and for a very little cost it is possible to apply it by using a local company. Or this survey application can be done by SME itself by email without any cost.

3.1. Validity of Survey

An SME can apply questionnaire to a small sample to test its validity and modify questionnaire, if necessary. But we decide to do face to face interview with a lot of company about this survey method and questionnaire. So we had visited Foodex 2015 exhibition in Tokyo in early March 2015. We had interviewed with some Japanese importers and organizations and some Turkish exporters and associations. Some of these Japanese companies are (SHIMADA, Koichi, 2015), (BAYLES, John, 2015), (MORI, Yuhi, 2015), (KOHEI, Suzuki, 2015), (HORI, Masato, 2015), (OTSUBO, Tomomi, 2015), (MORINAGA, Takae, 2015). And (COGULU, Emre, 2015), (UYGUN, Mehmet Emre, 2015), (HALVASI, Alper, 2015), (KIZILER, Huseyin, 2015), (DEMIR, Musa, 2015) are some of the Turkish exporters and associations that we had met. We had asked them their idea about our survey and study. We asked these kind of questions to them “Do you think that this survey can measure Japan companies olive oil preferences and customer selection criteria?” “Is this survey results can give important information to develop better marketing strategy?” “Is this survey research can help Turkish exporters to meet Japanese clients’ expectations?” Their replies are all positive that shows this survey is enough for Turkish exporters to develop a marketing strategy and marketing mix for Japan olive oil market.

4. CONCLUSION AND FUTURE STUDIES

We try to formulate a simple method which can applicable by even SMEs that has a little budget and hasn’t any marketing research expert staff. This proposed method formula is read market reports about target export market, find a few survey questionnaires about the product and service that you have. Modify it for enterprise. Find some interviews with importers. Draw supplier selections criteria from it and add them to survey. Apply it by using help of a company or by using email and your staff. As a practice, we had used this method to develop a survey for Japan market for Turkish olive oil exporters. Next, we plan to apply this survey in Japan, analyze the results of the survey and draw marketing strategies from the results.
References


Appendices A. Survey of Turkish Organic Olive Oil Market Research in Japan

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>☐ Please don’t share our company contact detail and name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Person:</td>
<td>Position:</td>
</tr>
<tr>
<td>Tel:</td>
<td>Email:</td>
</tr>
<tr>
<td><strong>Company Type</strong> (You can choose multiple types): A) Importer B) Distributor C) Wholesaler D) Retailer</td>
<td></td>
</tr>
</tbody>
</table>

**Section 1. Questions about Relation with Turkey**

1. Do you import any food products from Turkey?  
   A) Yes  
   B) No

2. Do you import olive oil from Turkey?  
   A) Yes  
   B) No

2.1. If no, why?  
   A) I didn’t hear that Turkey has olive oil  
   B) Turkish olive oil reputation is low in Japan  
   C) Other, please specify:  
   D) Other:

2.2. If yes, did you encounter any problems?  
   A) No,  
   B) Yes, about quality

3. Which country do you prefer to import olive oil?  
   A) Turkey  
   B) Italy  
   C) Greece  
   D) Spain  
   E) Morocco  
   F) Other:

3.1. Why?  
   A) Their olive oil is top quality  
   B) Their olive oil taste is the best  
   C) They have the best Price/Quality ratio  
   D) This country is the best-known origin of the olive oil  
   E) This countries olive oil reputation is high
Section 2. Questions about Olive Oil Supplier Selection Criteria

4. What is the importance of following criteria during your selection of Supplier Company of olive oil? (Please answer following questions by giving 1 to 5 points, 1 means not important, 5 means very important)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1. Price Competitiveness (Company should provide better Price/Quality Ratio)</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>1.2. Product Quality (Company should supply top quality product)</td>
<td></td>
</tr>
<tr>
<td>1.3. Reliable Delivery (Good And Steady Supply)</td>
<td></td>
</tr>
<tr>
<td>1.4. Effective Communication (Immediate Answers To Questions)</td>
<td></td>
</tr>
<tr>
<td>1.5. Extended Credit (Long term payment option)</td>
<td></td>
</tr>
<tr>
<td>1.6. Trustworthiness Of The Company</td>
<td></td>
</tr>
<tr>
<td>1.7. Modern Production (Company should have a modern production system)</td>
<td></td>
</tr>
<tr>
<td>1.8. Traditional Production (Company should have a traditional production system such as stone milled)</td>
<td></td>
</tr>
<tr>
<td>1.9. Production Capacity of company</td>
<td></td>
</tr>
<tr>
<td>1.10. Financial Size of the Company (Nominal Capital Etc.)</td>
<td></td>
</tr>
<tr>
<td>1.11. Current Export Markets (It will be good if company already exports to some other developed countries)</td>
<td></td>
</tr>
<tr>
<td>1.12. Attending An Exhibition (The company should be exhibitor in popular international food exhibitions)</td>
<td></td>
</tr>
<tr>
<td>1.13. Premium Member Of A B2B Portal (The company should be premium member of popular B2B portals)</td>
<td></td>
</tr>
<tr>
<td>1.14. Own Land Of Olive Orchards (It will be good if the company has their own olive orchards and use this olive for their oil)</td>
<td></td>
</tr>
</tbody>
</table>
1.15. Clear Understanding Of Japanese Market And Business Culture

1.16. Produce Traceability System Of Company

1.17. Solution-Oriented Approach To The Problems (The company should accept and cooperate to solve the problem even after sale)

1.18. Experience Of Export To Japan

1.19. Food Safety Systems of the Company (HACCP, ISO etc.)

1.20. Award Winning Product (The olive oil should win awards in international olive oil competition)
2. When deciding to purchase olive oil how important are the following (Please sort the following criteria from 1 to 10. 1 is the most important 10 is the less.)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Order Of Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1. Taste/Flavor Of Olive Oil</td>
<td></td>
</tr>
<tr>
<td>2.2. Color Of Olive Oil</td>
<td></td>
</tr>
<tr>
<td>2.3. Certificated as organic</td>
<td></td>
</tr>
<tr>
<td>2.4. Quality Of Olive Oil</td>
<td></td>
</tr>
<tr>
<td>2.5. Quality Of The Package</td>
<td></td>
</tr>
<tr>
<td>2.6. Price of the product</td>
<td></td>
</tr>
<tr>
<td>2.7. Appearance Of Package</td>
<td></td>
</tr>
<tr>
<td>2.8. Certificated by a safety system (HACCP, ISO Etc.)</td>
<td></td>
</tr>
<tr>
<td>2.9. Freshness Of The Olive Oil</td>
<td></td>
</tr>
<tr>
<td>2.10. Medal Awarded (In a olive oil competition)</td>
<td></td>
</tr>
</tbody>
</table>

Section 3. Questions about Product and Price

The following terms at the below are written according to International Olive Oil Standards and U.S. FDA Olive Oil Standards.

3. Please choose the olive oil types that you import. If you import different types then you can select more than one type but please write the percentage (0 to 100) (The total should be 100.)

3.1. Which olive oil production type do you purchase?

- Organic: %...
- Conventional: %...

3.2. Which olive oil grade do you buy?

- Extra Virgin Olive Oil: %...
- Virgin Olive Oil: %...
- Olive Oil (Riviera): %...
- Other Grade: %...
If you had chosen Other Grade, Please define the quality properties of Other Grade Olive Oil. If not please forward to question 5.

a. Free Fatty Acid Content (% m/m Expressed As Oleic Acid) of the Olive Oil

- %0,5-%0,8
- %0,5-%2
- %0,8-%1

b. Polyphenol volume

- 300-400 mg/Kg
- 400-500 mg/Kg
- 100-200 mg/Kg
- 200-300 mg/Kg

c. Peroxide value

- 15-20 meq/Kg
- 20-25 meq/Kg
- 5-10 meq/Kg
- 10-15 meq/Kg

4. What kind of package do you prefer?

4.1. Size

<table>
<thead>
<tr>
<th>Extra Virgin Olive Oil</th>
<th>Virgin Olive Oil</th>
<th>Olive Oil (Riviera)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) 250 cc, B) 500 cc, C) 1 Lt, D) More than 1 LT</td>
<td>A) 250 cc, B) 500 cc, C) 1 Lt, D) More than 1 LT</td>
<td>A) 25, 5 cc, B) 5, 0 cc, C) 1 Lt, D) More than 1 LT</td>
</tr>
</tbody>
</table>
4.2. Type

<table>
<thead>
<tr>
<th>Extra Virgin Olive Oil</th>
<th>Virgin Olive Oil</th>
<th>Olive Oil (Riviera)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Glass</td>
<td>B) Porcelain</td>
<td>A) Glass</td>
</tr>
<tr>
<td>B) Porcelain</td>
<td>C) Tin</td>
<td>B) Porcelain</td>
</tr>
<tr>
<td>C) Tin</td>
<td>D) Plastic</td>
<td>C) Tin</td>
</tr>
<tr>
<td>D) Plastic</td>
<td></td>
<td>D) Plastic</td>
</tr>
</tbody>
</table>

5. What is the price (YEN) range per LT that you are looking for (in 1 LT glass bottle)?

<table>
<thead>
<tr>
<th>Extra Virgin Olive Oil</th>
<th>Virgin Olive Oil</th>
<th>Olive Oil (Riviera)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Below 500</td>
<td>B) 400 – 500</td>
<td>A) Below 300</td>
</tr>
<tr>
<td>B) 500 – 600</td>
<td>C) 500 – 600</td>
<td>B) 300 – 400</td>
</tr>
<tr>
<td>C) 600 – 700</td>
<td>D) 600 – 700</td>
<td>C) 400 – 500</td>
</tr>
<tr>
<td>D) 700 – 800</td>
<td>E) More than 700</td>
<td>D) 500 – 600</td>
</tr>
<tr>
<td>E) More than 800</td>
<td></td>
<td>E) More than 600</td>
</tr>
</tbody>
</table>

6. How well do the following words describe tasty oil? (Please answer following questions by giving 1 to 5 points, 1 means not strongly disagree, 5 means strongly agree). If you haven’t any idea, you can skip this question

<table>
<thead>
<tr>
<th>Points</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1. Fresh</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2. Robust</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>6.3. Buttery</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>6.4. Unfiltered</td>
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<td></td>
<td></td>
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<tr>
<td>6.5. Cold-Pressed</td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>6.6. Fruity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Section 4. Miscellanea Questions

7. Do you think that an olive oil supplier should exhibit in an International Exhibition?
   A) Yes, please write exhibition name(s), (you can write more than one):
      .................................................................
   B) No

8. Do you think that an olive oil supplier should be member of a B2B portal?
   A) Yes, please write portal name(s), (you can write more than one):
      .................................................................
   B) No

9. Do you think that a first quality olive oil should earn a medal in an international olive oil competition?
   A) Yes, please write competition name(s), (you can write more than one):
      .................................................................
   B) No
"TiCoSa” a 3d matrix conceptual model to investigate visitors perceptions in an athletic event

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Abstract
Visitor behavior can determine athletic events structure making it an important consideration for managers. In this study visitor behavior is analyzed using a new managerial tool called “TiCoSa – Time, Cost, and Satisfaction Activity Blocks” which permits managers to see the time, cost and satisfaction distribution of visitor activities. Through this tool time periods were classified and used as a means of describing visitor flow and behavior in various time blocks within a day. Expenditure patterns were also identified in relation to specific cost blocks relating to the consumption of preferred products and services. Afterword satisfaction was evaluated for each attribute. The recording of information is achieved by a descriptive data collection instrument which reflects time, satisfaction and cost distribution of visitors’ activities. Data collection will be accomplished by means of a diary-type semi-structured questionnaire which will be administered in face-to-face interviews with visitors. Despite limitations, the present research provides useful suggestions for grouping visitor activities (i.e. based on time distribution analysis of activities), which could constitute a basis for better managerial decision making

Keywords: Time and Cost, Satisfaction, Event, Taiwan

1. INTRODUCTION
Athletic events industry is growing, attracting thousands of people year round. Despite this growth, there is still a paucity of literature, especially in terms of visitor behavior. Therefore, this study aims to fill the gap in the literature and improve athletic events management by analyzing the behavior of visitors in a specific context. The understanding of visitor behavior is essential for market analysis (Kawamura et al., 2004) and it provides useful information for the day-to-day running of athletic events. It can constitute the platform for decision making. In addition this study aims to identify the factors that contribute to a greater degree of customer satisfaction through the planning of effective marketing strategies. This study is still on going and in the future it will be verified in a baseball event related with a team in Taiwan named E-Da Rihnos by adopting a new model which we name TiCoSa and which reflect how event guests spend their time, their money and how satisfied they are.

Time blocks were chosen for this study because they capture visitor flow and behavior in time blocks within a day as well as their expenditure patterns (Vassiliadis et al., 2013). Expenditure patterns were identified relating to the consumption of preferred products and services through the use of a descriptive data collection tool. Satisfaction was measured with a satisfaction index method. With this instrument we examined what visitors do in a baseball event and when they do it along with how they spend time and where most of their money is allocated during the visit. Time and cost blocks can serve as platform for managerial decision making and for future research it may assist in the categorization of visitors’ activities and expenditures in time blocks within a one-day timeframe.

2. LITERATURE
2.1 Visitor behavior
Studying visitor behavior is not a new phenomenon; it has been in practice since 1928 when Robinson and Melton examined the behavior of visitor in a museum (Yalowitz and Bronnenkant, 2009, Andriotis, 2011, Brody and Tomkiewicz, 2002). Today studying people’s behavior has become a common practice (Yalowitz and Bronnenkant, 2009, Vassiliadis et al., 2013, Joo et al., 2012), which can be attributed to the useful information it provides to site managers regarding consumer preferences (Tsai and Chung, 2012, Griffin and Hauser, 1993, Carbonell et al., 2009). However, analyzing human behavior is a challenging task which involves searching for patterns of behavior among numerous different types of activities exerted by different individuals in different time-space locations (Birenboim et al., 2013, Fotiadis et al., 2013).

Researchers have used various techniques to analyze visitor’s behavior such as behavioral maps (Birenboim et al., 2013), time tracking (Yalowitz and Bronnenkant, 2009), radio-frequency identification (Tsai and Chung, 2012) and analyses of the behavioral impact of weather conditions (Joo et al., 2012).

Event management involves studying the intricacies of the brand, identifying the target audience, devising the event concept, planning the logistics and coordinating the technical aspects before actually launching the event (Arcodia and Reid, 2005, Capriello and Rotherham, 2011, Berridge, 2007, Chalip and Leyns, 2002, Knott et al., 2015, Werner et al., 2015). Post-event analysis and ensuring a return on investment have become significant drivers for the event industry. The recent
growth of festivals and events as an industry around the world means that the management can no longer be ad hoc. Events and festivals, such as the Asian Games, have a large impact on their communities and, in some cases, the whole country. The industry now includes events of all sizes from the Olympics down to a breakfast meeting for ten business people (Lee et al., 2014, O’Halloran, 2014, Vassiliadis and Fotiadi, 2014,Fotiadis and Vassiliadis, 2012). Many industries, charitable organizations, and interest groups will hold events of some size in order to market themselves, build business relationships, raise money or celebrate.

Sport marketers have long sought to better understand the factors that influence people to attend sporting events. It is expected that understanding factors that affect the consumption of sport will improve the efficiency of marketing communication between service providers and consumers, and, for that matter, possibly influence the entire marketing program of a sport organization. Attracting people to the stadium or ballpark not only increases ticket revenues, but increases supplementary revenue sources, such as parking, concessions and merchandise. Thus, understanding the factors that affect sport consumer behavior can have both direct and indirect benefits for the sport organization (Cunningham and Kwon, 2003).

2.2 TiCosa (Time, Cost and Satisfaction Activity Blocks)

Time blocks, pioneered by Vassiliadis et al. (2013), is a tool used to gather information about visitor flow and behavior in various time blocks within a day. In other words, time blocks present a time-based analysis of activities undertaken by visitors from the time of their arrival until their departure. Time diaries constitute the basis of time use analysis by recording as it happens all the activities a person engages in within a given day (Robinson, 2011, Vaara and Matero, 2011). Analyzing visitor behavior on a time basis is increasingly attracting interest among researchers (Kawamura et al., 2004, Vaara and Matero, 2011), however few studies have been conducted in the field related to leisure, marketing and tourism (Vassiliadis et al., 2013).

Figure 1: Time Block Activity Matrix

<table>
<thead>
<tr>
<th>Participation Intensity</th>
<th>Benefit Indicator</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Low</td>
<td>Motivational Activities (Attract people – Low profits)</td>
</tr>
<tr>
<td>High</td>
<td>High</td>
<td>Beneficial Activities (Benefit Theme Park)</td>
</tr>
<tr>
<td>Low</td>
<td>High</td>
<td>Indifferent Activities (Neither Favor nor Purchase)</td>
</tr>
<tr>
<td>High</td>
<td>Low</td>
<td>Promising Activities (Low attractiveness – High Profits)</td>
</tr>
</tbody>
</table>

Time blocks analysis map the activities visitors engage in by developing a time block activity matrix (TBAM) (Grönroos, 2000, Lovelock and Wirtz, 2011). The matrix categorizes visitor’s activities into four groups namely “beneficial”, “motivational”, “promising” and “indifferent” (Vassiliadis et al., 2013). The first dimension, “beneficial,” includes activities that benefit the theme park. The “motivational” dimension includes activities that attract many participants but relatively low amounts of money are spent. The “promising” dimension includes activities that involve few participants but a large amount of money is spent. The “indifferent” dimension includes activities that visitors neither favor nor purchase. These activities attract few participants and a small amount of money is spent. (Vassiliadis et al., 2013) suggested that marketing planning and decision making should be based on the information provided by TBAM.

Vassiliadis et al. (2013) created a “Time block activity matrix” which could help ski managers with decision making. As we can see in Figure 1 time and cost attributes are evaluated about participation intensity and benefit indicator. Time and cost block activity matrix is separated in four categories:

According to their model activities are separated in four different categories:

- **Motivational Activities.** This type of activities has high participation intensity and low profits. If attributes are in this category, managers should examine the impact of a future price increase. Usually a small increase won’t affect participation intensity but it will increase profits significantly.

- **Indifferent Activities.** This type of activities has low participation intensity and low profits. If attributes are in this category, managers should think to stop these activities. Usually these activities have negative impact on profits so it is very important to investigate if it is worthwhile keeping these attributes.

- **Promising Activities.** This kind of activity is the one marketers should focus on. Since these activities have high profits they should be treated carefully so participation intensity will increase. Of course it is important for
theme park managers to scan if a marketing investment is worthwhile for these activities.

- **Beneficial Activities.** These activities constitute the competitive advantage of the theme park. They provide high profits since they have high participation intensity and high profits. Theme park managers should maintain these activities..

**Figure 2: TiCoSa**

Although this motive is useful for managers it can be improved. Let’s use an example. Let’s say that we have an activity in a sport event such as “visiting cafeteria”. If this activity has high participation density and high beneficial benefits it would be consider as a beneficial activity for managers. How about satisfaction? When somebody is visited a very crowded place usually fells dissatisfaction. That means that probably revision intension for cafeteria will be low and worth of mouth advertisement too. How can manager know about this problem and deal with it? One solution can be our proposed 3d Matrix called TiCoSa. As we can see in figure 2 we add one more important factor. Satisfaction can be the third dimension on this matrix. In this case we have eight different options.

- **High Motivational Activities.** This type of activities has high participation intensity, high satisfaction but low profits. If attributes are in this category, managers should examine the impact of a future price increase. Usually a small increase won’t affect satisfaction and it won’t affect participation intensity but it will increase profits significantly.

- **Low Motivational Activities.** This type of activities has high participation intensity, low satisfaction and low profits. In this case managers should examine carefully what is the problem and customers feel dissatisfied because otherwise participation intensity will start to decrease. If they find the root of the problem they can find solution which will increase levels of satisfaction and profits.

- **High Indifferent Activities.** This type of activities has low participation intensity and low profits but high satisfaction. If attributes are in this category, managers should think how to increase participation intensity. Of course they should take extra care on the roots of satisfaction (maybe customers are satisfied because there are not so crowded). Alternatively, managers could think to stop these activities.

- **Low Indifferent Activities.** This type of activities has low participation intensity, low satisfaction and low profits. If attributes are in this category, managers should think how to increase participation intensity. If attributes are in this category, managers should think to stop these activities. Usually these activities have negative impact on profits so it is very important to investigate if it is worthwhile keeping these attributes.

- **High Promising Activities.** This kind of activity is the one marketers should focus on more. Since these activities have high profits and high satisfaction they should be treated carefully so participation intensity will increase. Of course it is important for theme park managers to scan if a marketing investment is worthwhile for these activities.

- **Low Promising Activities.** This kind of activities have high profits, low satisfaction and low population intensity. Managers should make the appropriate strategies to improve satisfaction and population intensity levels.

- **High Beneficial Activities.** These activities constitute the competitive advantage of the theme park. They provide high profits, high satisfaction and high participation intensity. Managers should maintain these activities in the same level or even improve them as much as they can.

- **Low Beneficial Activities.** These activities provide high profits, high participation intensity but low satisfaction. This is a warning signal for managers. Dissatisfied customer will decrease participation intensity in the future and they will feel that value of money is not the appropriate for this type of activities. Mangers should maintain these
activities but they should find ways to increase satisfaction levels. For example, maybe they can have more employees at the restaurant so customers will receive faster.

Based on Vassiliadis et al. (2013), TBAM the researchers can evaluated activities on a sport event. First participation intensity and benefit indicator must be calculated and then a TiCoSa activity matrix can be created.

**Participation Intensity (PI):** can be found if we calculate the percentage (%) of the visitors that select the activity in the time block. For example, in a research by Fotiadis et al. (2013) for theme parks in Taiwan 290 of the 611 visitors in attribute one of time block or 47.5% or 0.475 of the visitors wake up in the morning to come to E-Da theme park in the time block 08.00 am - 10.00 am.

\[
PI = \frac{XVA}{XVA} = \frac{290}{611} = 0.475
\]

Where:
- \( \alpha \) is one of the Time blocks “08.00 am – 10.00 am”
- \( A \) = Activity or attribute
- \( XVA \) = Visitors selecting A (total number of visitors that selected A in all time blocks)
- \( XVA\alpha \) = Visitors select the \( \alpha \) in \( A \)

**Benefit Indicator (BI):** Can be found if we first calculate the total profit for each attribute

\[
TPA = (MP1*Qβ1) + (MP2*Qβ2) + (MP3*Qβ3) + (MP4*Qβ4) + (MP5*Qβ5) + (MP6*Qβ6) = (455 * 50) + (150 * 56) + (400 * 4) = 35,550
\]

Where:
- \( \beta \) is on the cost blocks “100 NT$ - 300 NT$”
- \( MP \) = Total Attribute Profit
- \( Q\beta \) = Quantity for each time cost

Further on we can calculate the Benefit Indicator % for each attribute if we divide the TPA (Total Profit) for each attribute to total profits for all the attributes. For example, at Fotiadis et al. (2013) TPA for attribute 1 is 35,550 NT$ while total profit for all the attributes is 1,754,150 NT$.

\[
BI = \frac{TPA}{TPA Sum} = \frac{35,550}{1,754,150} = 0.020
\]

Satisfaction can be found with a 10 points scale related with each attribute. Since we have found the three different dimensions Participation Intensity, Benefit Indicator and Satisfaction we can now create a Time, Cost and Satisfaction (TiCoSa) Block Matrix.

3. CONCLUSION

In this research we mention to introduce a news managerial tool entitled “TiCoSa – Time, Cost, and Satisfaction Activity Blocks”. Based on that tool several very interesting results can be flourish since visitor flow and behavior is examined. This model is a new instrument and it can improve event management decision making. As we mention before this is an ongoing project so the above conceptual model will be tested and verified on a real event in a baseball event in Taiwan. Main objective is to test if a three dimensional model is more successful that a two dimensional model. Moreover it will be examined if this conceptual model can be more developed by adding more dimensions to the model. Event managers will be able to use the model and they could gain several information related with participation, benefit indicator and satisfaction and what is their combinational results.

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When Luxury Hides Itself: Unveiling the Meaning Arab Women Attach to Luxury

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Abstract

Studying luxury consumption for Arab women is significant in light of economic and political changes that have stimulated consumerism and interest in Western modernism. It is interesting to explore the multiplicity of value perceptions and fragmentation, or coherence, of rationales for the deliberate choice of Arab females to remain covered on the outside but have a distinctiveness ‘under the veil’ through luxury fashion consumption. This paper explores how Middle Eastern women make sense of consuming luxury, with the objectives of better understanding consumer motivations and value perceptions for this niche but lucrative market segment. A qualitative research approach through in-depth interviews is employed in this phase of the study. Findings indicate that the most prominent perceptions of luxury for this group are superfluousness, elitism and Luxury being only reserved for the educated. Results highlight interpersonal motives as relatively prominent for the sample. The research advances how the elitist Arab females are not homogeneous among themselves or the bigger Arab community. These females have their internal religious and cultural beliefs in living under the veil, yet express themselves with differentiated conspicuousness through luxury fashion consumption. Marketers can hence profile this group into distinct sub-segments/clusters and target them with tailored marketing programmes.

Keywords: Luxury Consumption, Arab Women, Fashion, Motivations, Value Perceptions

‘Black shadows walking side by side with women wearing Escada Jeans while flaunting the latest Prada bag are a typical scene.’ Boal, Brink and Mohammad (2006)

1. INTRODUCTION

Luxury consumption is commonly portrayed in terms of its distinctive characteristics, posited as symbolic of social and personal identity (Vickers and Renand, 2003). For many, and as postulated by Veblen’s (1899; 2005) social theory, luxury consumption is akin to conspicuous consumption, where luxury and visibility are closely analogous. Nevertheless, as discussed by Bearden and Etzel (1982) and Wong and Ahuvia (1998) in exploring reference group influence, there is publicly consumed luxury as well as privately consumed luxury; the latter is more of an individual choice that may not be as socially-motivated as the former, or visibly displayed. Both types possibly involve different types of products, but the distinction may also relate to the consumption choice and decision by different categories of consumers. Russel and Valenzuela (2005) argue that varied consumer groups tend to have diverse value perceptions and may associate different meanings with various luxury brands and products.
The growing global luxury consumption trend calls for the attention of marketers, strategists and researchers alike. According to Bain & Company (D’Aprizio, 2014), the leading advisor to the global luxury goods industry worldwide, personal luxury goods which represent the fundamental heart of luxury endure in market growth as it was anticipated to reach €223 billion in 2014, comprising ‘triple its size 20 years ago’ (D’Arpizio, Levato, Zito and Montgolfier, 2014). According to Bain’s Winter 2014 Online report, 10 million additional consumers embark annually onto the luxury market. Research on 10,000 luxury consumers found that the global luxury market is ‘shifting from its historically homogenous base of affluent consumers worldwide to a broader and highly heterogeneous class of luxury shoppers’ (D’Aprizio, 2014, Online). The report predicts a progressively heterogeneous luxury consumer which means luxury brands marketers should tailor consumer strategies to acknowledge and respond to such mounting diversity in order to remain successfully ahead.

Along these lines, as global luxury brands are marketed across the world, brand perceptions and representations are not the same for consumers everywhere (Hanzaee, Teimourpour&Teimourpour, 2012). This is especially so where cultural differences are more pronounced – for instance, in marketing Western fashion brands in Eastern contexts (Al-Mutawa, 2013). Luxury consumption is not the first thing that many Westerners would associate with Muslim women; portrayed in Western media as passive, submissive, silent, veiled and living in anguish within male dominated societies, this depiction is far-off from the material reality of this group’s expanding consumption of luxury (Sobh, Belk and Gressel, 2014). Thus, it becomes vital to understand the intriguing blend that characterises these Arab female consumers. Given an Islamic religious resilient influence mixed with a youthful need to follow the globalisation wave (Al-Mutawa, 2013), or alternatively, create “global structures of common difference” (Wilk, 1995), wherein they appropriate global fashion and integrate these into their own local culture. A clear example of this Muslim women who consume luxury fashion, especially in ‘Islamic-dominant’ cultures/areas, yet cover their luxury clothing with Abaya/Shayla. This hybridity presents something of a paradox as, given the widely held assumption that luxury fashion is bought and consumed for display, to a large extent Muslim women are not displaying their luxury fashion. It raises the question why they consume such items and on such a large scale; the Middle East luxury market is rapidly expanding at a stable rate (Bain & Company, 2013, Online).

Studying luxury consumption amongst Arab women is significant in light of economic and political changes that have stimulated consumerism and interest in Western modernism (Sobh, Belk and Gressel, 2014). It hence becomes interesting to understand whether there is multiplicity of value perceptions and a fragmentation, or coherence, of rationales for the deliberate choice of Arab female consumers to remain covered on the outside but have a distinctiveness ‘under the veil’ through luxury fashion consumption. This paper explores how Middle Eastern women make sense of consuming luxury, with the objectives of better understanding consumer motivations and value perceptions for this niche but lucrative market segment. A qualitative research approach through an exploratory design is employed in the first phase of the study to seek an in-depth understanding from a sample of Arab women temporarily resident in the UK.

2. LITERATURE REVIEW

The notion that all consumers desire the same products and services and that global firms’ success relates to competing on the basis of standardisation as opposed to customisation has been posited by Levitt (1983). Within a luxury context, this is supported by Hollander (1970) who identified a global cultural affiliation in regard to luxury consumption. Nevertheless, barriers to the globalisation of luxury – and particularly luxury fashion – are religion and cultural peculiarities. By definition, given the concept is built on consumer perception, which is highly subjective, luxury is particularly difficult to
define (Cornell (2002; Kapferer 1998; Stegemann, Denuze, and Miller, 2007; Phau and Prendergast, 2000; Stegemann, Denize and Miller, 2007). Christodoulides, Michaelidou and Li (2009) and Vigneron and Johnson (1999) also note that perceptions are articulated by socio-economic background, further accentuating how luxury is not only personal, determined by both personal and interpersonal motives, but also relative and idiosyncratic (Wong and Zhou, 2005).

Arab consumers possess substantial purchasing power for luxury consumption and are likely to consume Western fashion, yet they may be driven by different motivations to the Western consumer and carry different value perceptions, possibly linked to the formation of distinct social identities (Hanzaee et al., 2012). Even within the Middle East, luxury consumption antecedents, consequences and innate characteristics may not be homogeneous for its various countries and inter-cultural distinctions. Despite increasing acknowledgement in the popular press of Arab women as ‘rich, fashion-conscious princesses with incredible levels of fashion-knowledge’ (Sherwood, 2000, Online), there persists a dearth of empirical studies of their behaviour in relation to luxury fashion goods in academic marketing literature.

Clearly, luxury consumption has been widely studied in economic, social and cultural disciplines. Past studies focused on consumption behaviour of the affluent in a social context (e.g. Veblen, 2005), luxury brand types (Dubois and Duquesne, 1993) and the economics of luxury consumption (Corneo and Jeanne, 1997; Leibenstein, 1950). Some cross-cultural comparisons of attitudes towards luxury have beneficially been conducted (Wiedmann, Hennigs, and Siebels, 2009; Shukla and Purani, 2012), but factors specifically associated with the Middle East/Arab female luxury fashion consumption are rare to find. Of particular interest is exploring barriers to Levitt’s (1983) and Hollander’s (1970) globalisation strategies within the context of clothing and fashion and, in particular, Middle East Countries whereby wearing the Abaya/Shayla plays an important part in cultural and religious practices. One approach was offered by Sobh et al. (2014) in attempting to explain the mimicry, modernity, and invisibility in global fashion consumption among the privileged minority of women in the UAE and Qatar. Their study found that for this consumer group indulging in conspicuous consumption allows for an identity that bridges Western modernity and Islamic conservatism. Whilst the work of Sobh et al. (2014) offers a valuable insight into Western consumption and Islamic culture, it does not explore values derived from or motives for luxury consumption among Arab women.

3. METHODOLOGY

In this research, an exploratory study was undertaken that probes into the personal and interpersonal motives driving luxury fashion consumption and explores luxury’s value perceptions among the target consumer group. The selected sample frame comprises Arab young females, aged 18-25, who are consumers of luxury fashion. As some studies posit that it may not be appropriate to group all individuals from a set of Arab countries into one geographic cluster (e.g. Kabasakl and Bodur, 2002), this study defines Arab consumers as individuals born and permanently living in the Arab Gulf countries, namely Saudi Arabia, Kuwait, UAE, Bahrain, Qatar and Oman, as these countries are widely recognised as sharing Arab consumer characteristics (Atiyyah 1996).

Eight in-depth semi-structured interviews were conducted with respondents who were purposively selected based on the specified sample characteristics; the interview guide involved questions about perceived values and motives in purchase and consumption of luxury fashion goods. For accessibility reasons, subjects for the interviews constituted respondents who were at data collection time temporarily present in the UK for the purpose of study and/or other short-term residence reasons. Potential research subjects were invited to participate through a social networking site, detailing the purpose of the
study and the screening criteria. Use of female interviewers ensured cultural sensitivity and ease of rapport. In order to validate the qualitative outcomes, the final data was relayed back to four of the interviewees for confirmation. Thematic analysis was used to identify emergent themes from the interviews towards addressing the research aim.

4. FINDINGS AND DISCUSSION

All eight participants in the in-depth interviews came from affluent backgrounds, displayed high interest in fashion and have studied in cosmopolitan cities. The average age was 23. This description matches that of Sherwood (2000), who describes Arab luxury consumers as ‘very sophisticated, educated and well-travelled people’. Based on the respondent’s answers, five out of six of the potential facets of luxury as devised by Dubois, Laurent and Czellar (2001) were reflected in respondent’s answers: scarcity and uniqueness, superfluousness, aesthetics and polysensuality, quality and high price.

The findings indicated that the most prominent perception of luxury was superfluousness, whereby the majority imagined luxury to be an excess or an unnecessary comfort. Remarkably, a high number of respondents went on to voluntarily discuss the modern day obsession with luxury, continually referring to ‘societal pressures’ that allure people to take out loans to finance luxury goods. Scarcity and uniqueness remained strong perceptions held of luxury, with a particular emphasis on elitism. One respondent said that ‘it isn’t something that everyone can afford; only me and a minority of people can’. This mirrors Kapferer’s (1998) view of luxury as elitist, only affordable to a minority and not owned by the masses.

Supplementing this perception of elitism, the interviews uncovered how luxury was typically seen as reserved for the educated. One young woman stated ‘If you are educated to this level…or if you’re working this job….you have to look the part. And people will expect this. [...]They say “Oh my God look at her, what is she wearing? She’s a doctor and her bag isn’t even designer!’ This finding backs Dubois, Czellar and Laurent (2005) assertion that luxury is intended for the refined, and education is a key factor to fully appreciating it. None of the respondents alluded to heritage and tradition, perhaps as they were more oriented towards conceptualising luxury as a general notion rather than particularly in relation to brands.

In terms of motivations, the interviews pointed to interpersonal motives as relatively prominent. Although not all respondents claimed to be driven by these motives, they were unanimous in confirming their existence. Two consumers described the analogy of entering designer shops ostentatiously dressed in luxury brands labels and the better treatment experienced, confirming how these who exhibit their wealth are rewarded with superior treatment by society (O’Cass and Frost, 2002). Moreover, conspicuous motives expressed were under the theme of impression management. One respondent recalls that ‘Back home [Qatar]…luxury means a good home. A big house….that your neighbours can see…that your guests can see’. Hence, this is a typical case of ‘Keeping up with the Joneses’ (Leibenstein, 1950), whereby people compare their material well-being to their neighbour’s.

Congruent with the elitist perceptions identified earlier, the interviews revealed strong snob motives. Respondents were also influenced by the bandwagon effect, although not as apparent as the snob motives, consuming for image portrayal and acceptance into certain prestige groups. One interesting account came from a Saudi Arabian respondent who posited that ‘Sometimes you don’t want to dress like that, but they want you to. […]In Saudi, I have to dress for others. My mother forces me to buy things.’ This is indeed what is referred to in describing how status can override intrinsic utility to the
extent that people conform in spite of different underlying preferences (Amaldoss and Jain, 2005). The interpersonal motives were also noticeable to the degree that consumers expect the goods to bear visible logos in exchange for their money; this view is supported by Mouillot (2013) in describing Arab women as ‘logophiles’, suggesting that through the use of designer logos they adopt an identity that they like.

Personal motives for consumption, although evident, were less noticeable in the interviews. The quality motives were acknowledged in that luxury is seen as enduring and therefore an ‘expensive investment’. However, some respondents were dubious that quality on its own could drive consumption; this perspective came out in such responses as ‘People do buy things for the design or the quality. It is not the first reason. Quality is not an excuse. If people buy for quality then of course they should only buy one bag every 3 years and not 3 bags every year’. In addition, hedonistic motives were lightly mentioned. Being fashion-conscious, many referred to the feel-good aspects of luxury fashion products as being main drivers for consumption. The exploratory phase of the study also revealed a new dimension of self-identity as a motivation and perceived value. In line with Tsai (2005) and Wiedmann-Hennigs and Siebels (2007; 2009), respondents expressed being driven to consume luxury brands in order to define themselves to themselves rather than to others.

5. DISCUSSION AND CONCLUSION

This study of Arab women’s notions in luxury consumption supports some existing findings as well as offering new insights. Research findings indicate a generally positive appreciation of luxury among Arab female consumers that is strongly opposed to the idea that luxury is useless, highlighting the importance of this niche segment to luxury marketers. Specific findings show some congruence with research by Dubois et al. (2001), albeit with some differences. In terms of the specific motives for consuming luxury fashion products, consumers were in fact driven to use the products in a number of ways – from personal motives, such as buying a product that matches their identity to interpersonal motives, such as ascending the social ladder. These inconclusive findings in relation to the salience of interpersonal over personal motivations might be explained by Al-Mutawa (2013) study of how Muslim women recreate Western luxury fashion brand meaning through consumption; the study posits that through consumption young Kuwaiti women “act as their own ongoing social circle of advertising for luxury fashion brands”, where private parties are used as “a form of ‘word-of-body’ as opposed to word of mouth, since women’s brand consumption is displayed on their bodies” (Al-Mutawa, 2013, p. 240, 243).

Such a rationale extends a fresh joint perspective of personal and impersonal motives. Another possible rationale might be the manifestation of some kind of subversive behaviour among these women; some Arab women may typically wear the Abaya in the street, supplemented by luxury handbags, branded sunglasses and shoes, to communicate their wealth outside the house, whilst still challenged by image homogeneity. This group may subsequently switch to displaying their luxury brands in their homes and the homes of their female friends and, in doing so, move from one identity to another. This way, they derive self-directed pleasure from expressing their individualism through both the material and symbolic elements of luxury consumption. Sandikci and Ger’s (2010) study highlights the internal quandary within some Islamic societies, where taste and self-expression are not homogeneous and there are differing interests, determinations of identity and class sensibilities within one community. This is further supported in Hanzaeed et al.’s (2012) empirical work wherein they identified differences in value dimensions within the same cultural group, this being, young Iranian consumers. The research explains how the elitist Arab females are not homogeneous among themselves or among the bigger Arab community. These females have their internal religious and cultural beliefs in living under the veil and covering up with its related ethos, yet they express themselves with differentiated conspicuousness through luxury fashion consumption.
6. IMPLICATIONS, LIMITATIONS AND FURTHER RESEARCH

Theoretically, this study contributes to the spectrum of luxury consumer behaviour studies of established ethnic groups by focusing specifically on the demographic group of Arab female consumers; it presents a conceptualisation of the link between value perceptions and motives in luxury fashion consumption for a niche market segment and a distinct cultural group. Managerially, the scarcity of studies on luxury consumption in the Middle East posits this study as an insightful value-addition to luxury fashion marketers. Establishing clustered profiles of the Arab female luxury consumers can assist luxury brand managers to develop tailored marketing strategies directed at Middle Eastern consumers, not as a mass market but as distinct sub-segments. Marketing communication programmes can be personalised to each cluster to suitably appeal to its dominant motivations and value perceptions.

This study is only a first exploratory phase of the research, thus it involved a limited number of interviews undertaken with a convenient sample of Arabs temporarily present in the UK; a second explanatory phase of the research, which is still in progress, involves further interviews and focus groups with Middle Eastern females in their countries of origin. It aims to make sense of this study’s findings in relation to the inner meaning of the ‘veiled’ luxury and its pertinence within private spaces, while exploring occasions, situations, and contexts when luxury consumption has ‘windows of opportunity’ to be conspicuous in public, or within the boundaries of exclusive settings and circles.
References


Customer-driven innovation: digital channels and community

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Abstract:
This study investigates the role of digital channels in community-led businesses by exploring two case study companies, Uber and Airbnb. At present, these community-led businesses are disrupting traditional industries by connecting with customers via digital channels and facilitating transactions between two parties. A deductive structured qualitative content analysis approach utilising a predetermined categorization matrix was implemented to decipher the digital channels used by both companies. The results discovered that both company’s digital channels push the customer to their core channel, allowing, customers to create their own physical, largely self-governed communities. However, little research exists which explores and analyses the role of digital channels in forming community-led businesses. Therefore, this paper aims to instigate future research and discussion in this emerging area by concluding with future research agendas.

Keywords:

1.0 INTRODUCTION

As digital technology usage becomes universal, more users are able to generate, develop and find novel ways to innovate with it. Innovations in technology produce unprompted change, driven by large, varied and uncoordinated audiences (Zittrain, 2011). Consumers are capable of leveraging digital technology as components or platforms to create new products and services beyond the original design intent (Yoo, Boland, Lyttyinen, & Majchrzak, 2010), resulting in next ‘wave’ of innovation, whereby each innovation provides a digital platform for the next wave (Yoo et al., 2010). New technologies such as mobile Internet and social media have created new technology-based communication channels. Labeled as ‘digital channels’, they are routes of communication between customers and companies (Edelman, 2010). Digital channels have played a large role in the digital revolution through the provision of communication abilities and online connectivity. Brandt and Henning (2002) explain that digital trends in society have allowed individuals to communicate without the boundaries of time or place, access to multitudes of data and information worldwide and make multiple transactions in real time.

This demonstrates how the Internet has fundamentally changed customer interaction, no longer are they simply downloading or searching for static data, but are engaging, uploading and sharing their own content via digital channels. By becoming active digital customers, they have the ability to readily voice their concerns, report issues, or seek help, empowering them to express and publish positive and negative experiences with or without the permission of the company (Kietzmann, Hermkens, McCarthy, & Silvestre, 2011). Issues such as product quality, lack of availability, poor service and high prices are now transparent and instantly broadcasted by the customer and other stakeholders (Numes & Cespedes,
The challenge and threat of digital innovation is that it is difficult to comprehend due to the struggle to control and predict the rapid developments of technology (Yoo et al., 2010). This has already impacted a range of industries that were unaware or unable to adapt to disruptive digital advancements. Kodak is well known example of this, in 1888 the Eastman Kodak Company entered the American photography market, springing off a technological innovation revolutionising the speed and quality at which film could be developed. Snapshot photography was born and photography became available to an industrialized American mass market. In the years that followed, Kodak became the most successful film and photography development company, securing upwards of 90% market share at its peak in 1976 (Swasy, 1997). The narrative twists in the late 1990s with the abrupt disruption of digital technologies revealing Kodak’s inertia. The company sits on core digital photography intellectual property as the center of its value proposition, but fails as an enterprise to sense the future. A failure to anticipate how such a technology may connect people; a failure to sense how photography might morph from profession and recreation into social currency; and a failure to sense how the camera might become integrated into a new way of life sends Kodak into bankruptcy in 2012. The company was unable to compete with community-driven lean start-ups such as Instagram and Pinterest. Operating in a digital environment requires companies to become information-intensive, opposed to labor and capital intensive as seen in Industrial Era business models such as Kodak’s (Dusek, 2006; Holmstro & Nyle, 2014). The exponential growth of data-availability and the growing capabilities of digital technologies has seen companies provided with valuable information when making strategic decisions (Dumas, 2012). As a result, the traditional use of digital technology in organizations has moved beyond functional applications, towards a more strategic role.

2.0 LITERATURE REVIEW

2.1 Moving beyond the customer to community

Traditional business logic places customers in a passive role, an object at the end of a process, the receiver of value created by a firm (Deshpandé, 1983). However, many sources are witnessing a shift in the role of consumers. It is now widely accepted that consumers can play an active role in creating value (Piller, 2005; Prahalad & Ramaswamy, 2004; Thomke & von Hippel, 2002; Vargo & Lusch, 2004). Increasingly customers are moving to the inner workings of companies, with many companies building entire business models around the customer.

At the core of these customer businesses is a community, which Botsman and Rogers (2010) refer to as “collaborative consumption”. This phenomenon allows customers to create communities via digital channel. Through these channels, customers can easily redistribute and maximise assets (Botsman & Rogers, 2010), meaning they do not have to own a product in order to benefit from its features. The success and proliferation of these businesses are driven by both human and technological shifts yet the rapid growth of mobile internet connectivity makes sharing possible to scale (Cohen & Kietzmann, 2014). Botsman and Rogers (2010) refer to three types of collaborative ownership systems, (i) product/service systems, (ii) redistribution markets and (iii) collaborative lifestyles. Product and service systems involve the renting of an asset from one entity to another. Redistribution markets involves the repurposing of second hand goods for any number of potential outcomes. Most interestingly, collaborative lifestyles involve people with similar interests or needs to congregate, sharing less tangible items such as skills, time or space to achieve a mutually beneficial outcome (Botsman & Rogers, 2010). Belk (2014) challenges this simplistic and broad view of collaborative consumption and the sharing economy. Belk (2014) summarizes two key commonalities that characterize a sharing economy; (i) their use of temporary access non-ownership models of utilizing consumer goods and services and (ii) their reliance on the Internet to facilitate this interaction.

2.2 Enabling community through digital channels

As previously mentioned, digital channels provide customers with the ability to participate in recreational and social activities via technology. Social Media, Website, YouTube, Blogs, Forums and Vimeo are all digital channels that allow for this through greater forms of text, images and videos. The interaction with the company and a select community of
customers creates an area for providing in-depth information and communication in specific interests areas. However, the lack of engagement or activeness on digital channels can lead to the disconnection and loss of community. Being able to connect with smaller communities through these channels creates the perception of being local. Rather than creating a physical community these companies are able to create digital communities by providing a personal and local approach. As likeminded customers engage via digital channels they are able to share tips, provide support, photos, comments and assets. However, at present, little research has been published which explores and analyses the role of digital channels in forming community-led businesses. This study aims to instigate future research in this emerging research area.

3.0 METHOD

To explore the role of digital channels in community-led businesses, two case studies have been investigated. The research followed a deductive structured qualitative content analysis approach (Elo and Kyngäs 2008) utilising a predetermined categorization matrix (Mayring 2004), to decipher the digital channels used by the case study companies. This method involved labeling each channel by its type, reach and purpose. This information was then mapped onto a predesigned data sheet developed by the researchers, using the channel data analysis key (Figure 1). Multiple data sources were used to gain the broadest possible range of information from a variety of perspectives such as websites, social media, online trade publications and annual company reports. The appropriateness of content analysis for this first stage offered a systematic and objective approach to evaluate content for a large sample of data (Kolbe & Burnett, 1991).

![Figure 1: Channel Data Analysis Key](image-url)

4.0 RESULTS

Case Study 1: AirBnb

Airbnb is an online community marketplace that connects those with housing space to share with those seeking accommodation. These offerings can be shared rooms through to entire houses (Zervas, Proserpio, & Byers, 2013). This enterprise has the potential to severely disrupt the existing hotel industry, however, the complete effects are yet to be clearly understood. A study by Zervas, Proserpio and Byers (2013) made it clear that while the introduction of Airbnb into Texas led to reduced revenues by the traditional hotel industry, the overall spend on the tourist industry was boosted. What is known however, is the sheer popularity of this option. Since its start in 2007, Airbnb now has over 800,000 listings in 190 countries, servicing 17 million people (Cusumano, 2014). It is predicted that Airbnb will soon become the world’s largest hotelier. From the analysis Figure 2 is a visual representation Airbnb’s digital channel strategy. It makes heavy use of social media and online advertising to create awareness of the brand and service, all of which funnel the customer to their digital marketplace channel. It is believed that the social media channels allows the service to grow “organically” through word of mouth, human connections, thus creating a community around the brand.
Case Study 2: Uber

Uber represents a one of many technology driven start-ups are currently disrupting the old business models of transportation companies, most notably private vehicle manufacturers, public transportation services and the taxi industry. Both technological and human innovations has seen Uber become the market leaders in the new mobility industry by quickly overrunning the taxi industry as well as eroding the markets of private automobile manufacturers and public transport operators. Uber has achieved this by providing a channel for car owners to provide private transport to others via a mobile application, which connects people directly and without the need for an asset-intensive broker with each other. Figure 3 represents Uber’s digital channel strategy. All of its digital channels are designed to inform customers and generate awareness of the brand, by funneling the customer to their main marketplace channel the mobile application. This channel allows potential drivers and passengers to connect virtually before meeting physically. Payment and rating of both the driver and passenger are also done via the mobile application.

5.0 DISCUSSION

Interaction of Community and Digital Channels: Building Physical Communities

Uber and Airbnb use digital channels to forge a strong community; bridging online and physical interactions. These firms do what social media channels indirectly accomplish and traditional players find cost intensive (i.e. have a company...
representative at every Uber trip or Airbnb key exchange). This is done through each firm’s core channel. In the case of Uber it is their application, with Airbnb, their application and website. This all-purpose channel is also each firm’s main revenue stream, platform and marketplace. The channel connects people online yet are brought together physically through the service delivery. Trust is generated through initial virtual interactions and user reviews and ratings.

Immediately this community-created innovation puts Uber and Airbnb ahead of their industrial era rivals purely through cost savings. However, to ensure this saving is viable and interactions continue, customers and transactions need further safeguards. Surprisingly, very little firm influence is required. Although both firms provide insurance safety nets for providers and customers, little intervention from the firm is regularly required. The community is able to self-regulate, achieved solely through their digital channels. The channels are equipped with a two-way communication mechanism between community members and a feedback rating system with providers rating customers and customers rating providers. Below average providers or customers are quickly rated down and filtered out or banned from the community. The overall channel strategy of these two businesses is to direct customers to their core channel, their mobile application or website. With supporting channels primarily provide information and awareness to the brand and product in order to form the community.

The Interaction of Design, Community and Technology: Emerging Research

This exploration of community-led businesses has resulted in a discussion of the role of digital channels in the forming of a community. Future research agendas and questions should therefore explore how the role of community interactions through digital channels could be designed and influence a company strategy. A process is required in which a company is able to sense, learn, respond, as there is a constant need for reformulating strategy though dynamic and creative methods. A way to overcome the challenges of digital technology and develop community-led businesses is through design.

Traditionally design has been employed by businesses to create an artifact or type of outcome based on marketing research to enhance product development and sales. It is only in recent history that the use of design at an organisational level has been investigated. Coincidently, design has long expanded from designing products by venturing further into the coordination and managing of experiences, services and even brands in relation to their customers. Equipped with skills such as prototyping, visualisation, designers are able to see problems as opportunities for the invention of new alternatives. These visions of the future provide organisations with mechanisms to develop an understanding of the potential viability of new products and services.

The main concept that lies at the core of design is user experience, expanding beyond usability and requires treating the user holistically as a feeling, thinking active person (Jordan, 2000). Therefore a customer-centric design approach may be able to overcome technological threats through a deeper understanding of customer needs. As customers are demanding more tailored communication with a company and technology is creating many new design possibilities for channels. It is therefore the concluding proposition of this paper that designers should be involved in this process, to connect with customers to overcome the threat of emerging community-led businesses.

From this perspective future research questions and agendas could include:

- How to design digital channel to evoke customer emotions?
- How to facilitate the unknown customer value (customer dictating value)?
- How to keep up with changing values and needs of a community?
- How can a company maintain customer created content that it still aligns with the company’s own objectives?
These research agendas become critical to the success of many industrial era businesses, as overnight, community-led companies like Airbnb and Uber are threats by forming strong communities through digital channels. Through utilizing and innovating through channels both firms were able to deliver customer value in a different way; by building trust and security usually formed over a long period of time via a brand. Through a self-regulated safety net of customers providing word of mouth reviews and direct communication lines with the service providers, community-led businesses are a threat to many existing companies today.

References


The effect of religiosity on consumer choice of products: a case of Pakistan, an Islamic country

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Abstract
Amongst the various factors influencing consumer behavior, religion has always remained a highlighted issue as it plays a vital role in the acceptance or rejection of a product. This study explored the level of consumers’ religiosity and its effect on their choice of products. The study was conducted in Pakistan where majority of the population is Muslims. The product categories of cosmetics and garments were used. Data was collected from the university students through a questionnaire and One-way ANOVA was used to analyze the data. The results were mixed. In the cosmetics category, people with high as well as low religiosity levels preferred products made in non-Islamic countries. On the other hand, in the garments category, people with high as well low religiosity levels preferred products made in Islamic countries. These results suggest that customers use stereotypical beliefs associated with country of origin rather than religion in their choice of products.

Key words: Islamic religiosity, country of origin, stereotypes, Pakistan

1. INTRODUCTION
The globalization movement characterized by tough competition has made the job of marketing managers more challenging and they now think not only of the local market but also are considering opportunities in foreign markets as well. Consequently, a better consideration of the different factors influencing novel products is now a main concern for marketing researchers and managers as these products can either be accepted or rejected in world markets because of diverse political, economic and socio-cultural factors (Hassan, Mourad, Ahmed & Tolba, 2008).

Consumers are not always rational in their decision making. They belong to different cultures and thus have diverse attitudes, values and norms which influence their decisions to buy products (Suh & Kwon, 2002; Dwyer, Mesak, Hsu, 2005). Along with the cultural factors, religious beliefs form the consumers’ views about the country of origin of the products, so it is also an important factor influencing consumers’ choice of the product. Foreign companies offer their products in Muslim and non-Muslim countries around the world, which can either be acknowledged or rejected by the consumers because of the religious beliefs (Jamal, 2003).

There are a number of things whose usage is forbidden in one culture but allowed in other culture, thus shaping the consumption pattern of the consumers. The impact of religion is, however, mostly evident in the use of food and beverages (Fam, Waller, & Erdogan, 2002).

For the foreign marketers, Muslims represent an attractive market as they live in economically reasonable numbers in most of the countries in the world. In some countries, the ethnocentric beliefs shape the consumers’ attitude towards all types of imports (Bahaeel & Pisani, 2009).

Among the Islamic countries, Pakistan with a population over 180 million represents a vast market for the foreign companies’ products. Pakistani consumers are becoming more observing; the rules that lead their lives are being increasingly Islamized as more and more people resort to religion as an identity. Foreign manufacturers now intensely examine the values and beliefs of Pakistani consumers before doing any marketing action, particularly offering their products in the market. They are more hostile and usually react more aggressively if the product is against their values (Hanzaee, Attar & Alikhan, 2011).

Literature has covered the idea of consumers’ choice of the products from different dimensions but still little research has been conducted to explore the effect of religiosity on consumers’ choice of the brands made in an Islamic as well as in non-Islamic countries. This study aims to fill this gap by exploring the effect of religiosity on consumers’ choice of products in Pakistan, the second largest Islamic country in the world.

2. LITERATURE REVIEW
The existence of global media and the extension of the distribution of global brands mean that consumers worldwide are exposed to an increasing amount of information about a growing market of global and local products and services. Political and economic developments of recent years increase the likelihood of different factors interacting with consumer decisions. In some circumstances, beliefs about a nation’s guidelines and actions are taken into account when making product
decisions. Some brands may be avoided by consumers because of their feelings of animosity towards countries or they may believe that it is unpatriotic to purchase foreign-made products (Shimp & Sharma, 1987; Klein et al., 1998). This might be especially imperative in the perspective of understanding while considering Muslim and non-Muslim countries’ relations (Keenan & Pokrywczyzn, 2012). Brands may also be refused due to incompatibility with the social roles of consumers or with the existing products that they already use (Hogg, 2001).

Studies in the literature recommend that of the different demographic and socio-cultural variables, gender, age, education, income and occupation appear to be mostly considerable causes of discrepancies in attitudes toward particular countries of origin. Along with these, religion is a basic component of our culture and is associated with consumer behaviour (Wilkes, Burnett, & Howell, 1986; Bailey & Sood, 1993; Lupfer & Wald, 1985). The influence of religion has been found in several areas such as clothing styles, eating and drinking, use of cosmetics, viewing social and political concerns (Levin, 1979; Essoo & Dibb, 2004).

According to Harrell (1986), religion directly affects individual behavior by the regulations and taboos it encourages. Yukio (1995) emphasizes that a more complete understanding of the dominant religion and its effects on consumer actions would be crucial to a close consideration of consumer choice concerning the brands of different foreign countries in a particular culture.

Hofstede (2001) indicates that there exists differences in consumer reactions from country due to differences in consumers’ religious viewpoints and cultural values (Tellis, Stremersch & Yin, 2003; Yeniyurt & Townsend, 2003). The consumer behavior of Hindus, Muslims, Buddhist, Jews, Christians and other religions differ significantly in a number of ways. Due to these differences in religion and cultural values, they have different perceptions and reasons for different attitudes like accepting or rejecting the brands offered by foreign countries, liking or disliking for shopping, probing for advertisements or not (Mayer & Sharp, 1962).

Religion’s role in discouraging or encouraging aggressive behavior locally and internationally is an important issue for the researchers. Barrett’s (1982) and Barrett, Kurian and Johnson’s (2001) show that religion may influence the degree to which societies understand the advanced technologies that initiate in foreign countries.

Hanzaee, Hattar and Alikhan (2011) highlighted the importance of religion as a significant factor in the lives of people which influence what is religiously acceptable and what are not. They identified that the increased globalization has influenced the relationship between different dimensions of religiosity and the consumers’ attitudes towards the products. These researchers have identified religion to be an important factor that affects the consumers’ decision of acquiring a product.

Religiosity strongly influences consumers’ actions and attitude (Weaver & Agle, 2002). Delener (1994) observed that religious practices of an individual in a society persuade their decision-making roles as well as societal traditions. Therefore, it is hypothesized that:

H1. Persons having high level of Islamic religiosity will prefer products made in an Islamic country.

3. METHODOLOGY

The main purpose of the study was to identify the effect of religiosity level on consumers’ choice for the products made in Islamic and non-Islamic countries. To examine this effect, the survey method was used. The target population of study was students of universities of Peshawar city, the capital of Khyber Pakhtunkhwa province of Pakistan. Data was collected from randomly selected sample of 200 students of two Universities. The sample consisted of both male and female students.

The respondents were given the questionnaire and asked to fill at the same time. Two categories of products, that is, cosmetics and garments were selected and respondents’ choices of these products made in five different countries were sought. Three of these countries were Islamic and two were non-Islamic. Islamic countries included Malaysia, Pakistan and Turkey while the non-Islamic countries were USA and UK. The rationale behind selecting cosmetics and garments was that these products are produced by all these countries and are available in Pakistan. Furthermore, the selected Islamic countries are in a position to compete with non-Islamic countries in these categories.

The respondents’ level of religiosity was measured through eleven items five-point Likert scale (1 = Strongly Disagree and 5 = Strongly Agree). The items were faithfulness on religion, faith on myself, understand meaning of life, religion’s purpose of life, religion as a meaning of life, religion’s influence on decision, praying five times a day, reciting Holy Quran, faith as a source of relief, financial contribution to religious organizations and enjoying participating in Islam.
Consumers’ choice was measured as purchase intention through a single item five-point Likert scale (1 = Strongly Disagree and 5 = Strongly Agree) “I will probably purchase cosmetics/garments made in (country) if it is available in the market”.

4. DATA ANALYSIS
To examine the impact of consumers’ religious beliefs on their choice of products both in cosmetics and in garments, it was important to know their level of religiosity. For this purpose, we assigned ranks to the different levels of religiosity based on the mean values of their responses including 1.1-2.5 (Low religious), 2.6-3.5 (Moderate religious) and 3.6-5 (High religious) (Pedhazur, 1997). These ranks are given below in Table 1. The table shows that there are significant differences among the three levels of religiosity.

<table>
<thead>
<tr>
<th>Level of Religiosity</th>
<th>N</th>
<th>Mean</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Religious</td>
<td>48</td>
<td>1.9602</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moderate Religious</td>
<td>51</td>
<td>2.9822</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Religious</td>
<td>101</td>
<td>4.4050</td>
<td>640.05</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
<td>3.4555</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2 below shows consumers’ levels of religiosity and their effect on the consumers’ choice of cosmetics products made in both Islamic as well as non-Islamic countries. The results of one-way ANOVA show that consumers with low as well as high level of religiosity prefer cosmetics made in non-Islamic countries. This is evident from the mean values of 4.27 & 3.56 for cosmetics made in USA and UK respectively (respondents with low level of religiosity) and 3.97 & 2.41 also for USA and UK (respondents having high level of religiosity). The mean values of the purchase intention for the cosmetics made in Islamic countries are much lower.

<table>
<thead>
<tr>
<th>Religiosity Level</th>
<th>Cosmetics made in USA</th>
<th>Cosmetics made in UK</th>
<th>Cosmetics made in Turkey</th>
<th>Cosmetics made in Pakistan</th>
<th>Cosmetics made in Malaysia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Religiosity</td>
<td>4.27</td>
<td>3.56</td>
<td>1.60</td>
<td>1.71</td>
<td>2.50</td>
</tr>
<tr>
<td>Moderate Religiosity</td>
<td>4.43</td>
<td>3.04</td>
<td>1.67</td>
<td>1.59</td>
<td>1.90</td>
</tr>
<tr>
<td>High Religiosity</td>
<td>3.97</td>
<td>2.41</td>
<td>1.81</td>
<td>1.52</td>
<td>1.88</td>
</tr>
<tr>
<td>Total</td>
<td>4.16</td>
<td>2.84</td>
<td>1.73</td>
<td>1.59</td>
<td>2.04</td>
</tr>
</tbody>
</table>

ANOVA Results

F 333.816 Sig 0.00

The results shown below in Table 3 are also mixed. However, the trend is opposite in the case of garments. Here, respondents with low as well as high levels of religiosity prefer garments made in Islamic countries. Hence, H1 is not accepted.
**5. DISCUSSION & CONCLUSION**

This research study aimed to identify the effect of consumers’ religiosity on their purchase intention of products made in Islamic and non-Islamic countries. The product categories of cosmetics and garments were selected. The results are mixed for the two product categories. In both categories, the level of consumers’ religiosity has no such impact on their preferences for the products offered by different countries. In the cosmetics category, people with high as well as low religiosity levels preferred products made in non-Islamic countries. On the other hand, in the garments category, people with high as well low religiosity levels preferred products made in Islamic countries.

Prior research studies documented that religion shapes consumers’ choice on different products and thus directly affects their purchase behavior and adoption activities (Yeniyurt & Townsend, 2003; Tellis et al., 2003; Hanzae et al., 2011). Hence, contrary to these studies, this research found no such effect of religiosity on consumers’ preferences. These results suggest that customers use stereotypical beliefs associated with countries of origin rather than religion in their choice of products.

The results show consistency with previous literature showing that COO and national stereotypes play a leading role in product evaluation and consumers purchase decision (Johansson & Thorelli, 1985; Ghalandari & Norouzi, 2012).

### 6. MARKETING IMPLICATIONS

The study has important managerial implications for the marketers. We have some product categories in which religion does not have any strong effect on consumers’ behavior towards the product.

Since the overall mixed results indicates that consumers stereotypes regarding the country of origin plays an important role in the case of most product categories instead of religiosity. Therefore, it depends on the nature of the product and therefore the marketers need to consider these aspects while offering their products in diverse markets.

### 7. LIMITATIONS & SUGGESTIONS

A limitation of the study was that the respondents were only students of universities. Apart from students, other people should be included in the future studies. Another issue was that the study focused on only two product categories. Product category should be more common and less expensive. It will be useful for future research studies to select more product categories.

### References


The Impact of Consumer-Brand Relationships on Brand Loyalty: Evidence from the High-Tech Services Context

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Abstract:
The aim of this paper is to investigate the antecedents of three manifestations of brand loyalty, repurchase intentions, positive recommendations and price tolerance, for high tech services, such as fixed broadband internet services. Using the relationship commitment theory as theoretical background, the study proposes and empirically tests a modelling framework to estimate the trust, satisfaction and commitment direct and indirect effects on customers’ behavioral intentions, in terms of repurchase intentions, positive recommendations spread, and willingness to pay more. Data were collected from a survey of 779 customers and were analysed using PLS. The results indicate that brand trust is the major driver of consumers’ behavioral intentions and this effect is further enhanced if it can be efficiently converted to brand satisfaction and relationship commitment. On the other side, trust is not directly related to price tolerance, an indication of brand performance, which is mostly affected by consumers’ commitment and attitude and at lesser extent by satisfaction. Theoretical and managerial implications, limitations and suggestions for further research are provided at the end of the study.

Keywords: brand loyalty; commitment-trust model; satisfaction; relationship management; high-tech services

1. INTRODUCTION

Both researchers and practitioners have recognized the importance of brand loyalty for service firms since it contributes to increased repurchase volume; better acquisition rates from positive word-of-mouth communication (Aksoy et al., 2013); lower customers’ price sensitivity (Parasuraman et al., 1994; Zeithaml et al., 1996); reduced cost and capital investment requirements (Oliver, 1999), and improved service providers’ profitability (Hayes, 2008). Interpersonal relationship theory provides a theoretical framework to explain customers’ patronage behaviours and brand performance through the establishment and development of effective consumer-brand relationships (Fritz et al., 2014). In particular, the relationship commitment paradigm (Tsai, 2011a; 2011b), a well-established perspective of interpersonal relationship theory, exploits the commitment-trust theory (Morgan and Hunt, 1994; Hennig-Thurau et al., 2002) to investigate the role of customers’ perception about the consumer-brand relationship level in explaining customer commitment and brand loyalty (e.g. Aurier and N’Goala, 2010; Balaji, 2015). Previous studies in the field are using the service evaluation theory (Cheng et al., 2008; Miranda et al., 2014) to explain how service deliverables’ assessment affects behavioral intentions. On the other side, other studies rely on the consumer-brand relationship quality level (Chiou, 2004; Lin and Ding, 2009; Ou et al., 2014; Thaichon et al., 2014; Balaji, 2015), to explain brand loyalty. However, these studies do not provide an integrated theoretical framework that explains how trust and customer satisfaction can be efficiently converted into relationship commitment and brand loyalty. While the direct effects of brand trust, satisfaction and commitment on brand loyalty has been the main focus of many studies, their interrelationships and the relevant mediation effects has not been adequately addressed in the existing
literature. This study argues that brand trust affects brand loyalty, both independently and in tandem with brand satisfaction and commitment.

The objective of this study is to use extant research findings to propose and empirically test an integrated conceptual framework that allows us to estimate the trust; satisfaction, and commitment chain effects on several brand loyalty manifestations including repurchase intentions; positive recommendations, and price sensitivity in the context of fixed broadband services. It is argued that analysing the components of consumer-brand relationships as distinct concepts and considering their interrelationships will help service providers better understand the role of each component in formulating brand loyalty and improve brand performance.

2. CONCEPTUAL BACKGROUND AND RESEARCH HYPOTHESES

This section is devoted to the analysis of all brand loyalty and consumer-brand relationships related concepts and the development of appropriate hypotheses about their interrelationships.

2.1 Brand loyalty and consumer-brand relationship components

Brand loyalty is defined as the extent of faithfulness of consumers to a particular brand, irrespective of the marketing pressure generated by the competing brands (Oliver, 1999). Past research suggests that there are two types of brand loyalty: attitudinal and behavioral (Chiu et al., 2013). Behavioral loyalty expresses consumers’ repurchase behavior for a specific brand, and attitudinal loyalty expresses consumers’ attitude towards specific products or services (Kumar and Reinartz, 2006). The current study focuses on attitudinal loyalty because customers who seem behaviourally loyal can also be spuriously loyal as they may make repeat purchases because of certain situational constraints. Attitudinal loyalty manifests itself with a variety of indicators among which repurchase intentions; consumer willingness to recommend a service provider to other consumers, and consumer willingness to pay more are the most common ones (Vázquez-Casielles et al. 2009)

The relationship commitment paradigm (Tsai, 2011a, Ou et al., 2014) is one of the theoretical frameworks developed to explain the consumer-brand relationship formation by adopting social psychology and interpersonal relationships theory. This framework shows that commitment mediates the effects of trust and satisfaction on brand loyalty (Palmatier et al., 2009; Kaur et al., 2012). Commitment is the enduring desire to maintain a relationship. Relationship commitment is conceptualized either as a one-dimensional or a two-dimensional concept (Ou et al., 2014) split into affective commitment (based on loyalty and a feeling of belonging) and continuance commitment (based on rational evaluation). Commitment-trust theory suggests that relationship commitment and relationship trust are the most important ingredients of the relationship-building process (Hennig-Thurau et al., 2002).

Trust is defined as a service provider’s characteristic that inspires confidence in customers within a relationship (Caldwell and Clapham, 2003). Based on Clark et al. (2010), there are three related, but distinct dimensions of trust: service providers’ competence; integrity, and benevolence. In accordance with the study of Sanchez-Franco et al. (2009), the concept of trust is considered as an index composed by its causal subdimensions and for that reason it is modelled as a second-order formative construct (Edwards, 2001). Previous studies also propose that relationship satisfaction is a relationship commitment generator, since it expresses the favorable affective response of customers who find all past service encounters with their service providers rewarding; fulfilling, and stimulating (Brady et al., 2005).
2.2 Research hypotheses development

Trust is essential in enhancing brand loyalty, especially in high-tech services where service delivery-related risks are perceived by customers as significant. When customers trust the service provider, they will continually use the service and will recommend the service provider to potential customers (Deng et al., 2010). Moreover, customers that experience trust in a service brand interaction, feel a reduced risk that they consider to be a benefit for which they are willing to pay a higher price (Nyffenegger et al., 2014). Hence the following are hypothesized:

\( H_1 \): Trust will have a positive effect on (a) repurchase intentions, (b) positive recommendations, and (c) price tolerance.

Many studies have shown that customer satisfaction affects customer loyalty. When customers are highly satisfied, they perceive the outcome of the exchange to be positive and, therefore, are willing to repurchase (Vázquez-Casilles et al., 2009); to recommend the provider to other consumers (Brown et al., 2005; Vázquez-Casilles et al., 2009), and to pay premium prices (Homburg et al., 2005a; Homburg et al., 2005b; Vázquez-Casilles et al., 2009). Thus, we propose the following:

\( H_2 \): Customer satisfaction will have a positive effect on (a) repurchase intentions, (b) positive recommendations, and (c) price tolerance.

A substantial body of research has demonstrated that customers’ repurchase intentions and positive referrals are regarded as consequences of affective commitment (e.g. Nyffenegger et al., 2014; Thaichon et al., 2014). Nyffenegger et al. (2014), based on research on interpersonal relationships, suggest that consumers with an emotional brand relationship (affective commitment) experience a higher value from this brand relative to competitive brands. As a result, they are more willing to invest in the brand; make sacrifices for that brand, and preserve interactions with the brand. Hence, the following hypotheses are proposed:

\( H_3 \): Affective commitment will have a positive effect on (a) repurchase intentions, (b) positive recommendations, and (c) price tolerance.

There is enough empirical evidence that trust is an antecedent of customer satisfaction (e.g. Kwortnik and Han, 2011; Balaji, 2015). This finding is based on the cognitive consistency theory, which suggests that people attempt to behave in a consistent manner in order to be in a pleasant psychological state, therefore, it is expected that satisfaction would be greater in the presence of customer trusting beliefs (Balaji, 2015). Satisfaction is also an antecedent of affective commitment (Fullerton, 2011; Balaji, 2015) since the repeated fulfilment of customer needs can lead to affectionate bonds with the brand (Vlachos et al., 2010). Finally, trust and commitment are the most important drivers of long-term consumer-brand relationships. Recent studies show that as customers’ trust increases, the more committed to the brand they become (Aurier and N’Goala, 2010; Thaichon et al., 2014). Based on the aforementioned discussion, the following are hypothesized:

\( H_4 \): Trust will have a positive effect on (a) satisfaction, and (b) affective commitment

\( H_5 \): Satisfaction will have a positive effect on affective commitment

As far as the interrelationships among the different brand loyalty manifestations are concerned, previous studies provide evidence that repurchase intentions is an antecedent of positive recommendations (Petrick, 2004; Olaru et al., 2008), and price tolerance (Chaudhuri and Holbrooke, 2001; Srinivasan et al., 2002; Jaiswal and Niraj, 2011). Therefore we propose that:

\( H_6 \): Repurchase intentions will have a positive effect on (a) positive recommendations, and (b) price tolerance.

Taken together, \( H_1 \), \( H_2 \), \( H_4 \), \( H_5 \) and \( H_6 \) suggest a mediating relationship, whereby brand satisfaction and brand relationship commitment mediate the impact of brand trust on brand loyalty manifestations. Therefore, the following hypothesis is proposed for testing the mediating effects:

\( H_7 \): Brand satisfaction and commitment mediates the brand trust-brand loyalty relationship
3. RESEARCH METHODOLOGY

The population of fixed broadband internet users in Greece for 2014 was about 3 million with a penetration rate of 27.2%. The proposed model was tested with data collected during the first quarter of 2014, using a convenient sample of 800 customers of fixed broadband service providers in Greece. Using the mall-intercept methodology, potential respondents were asked to complete a self-administered questionnaire. To enhance the study’s reliability and the sample’s representativeness, respondents were personally contacted by trained senior students, who used a quota sampling procedure in terms of gender and age, in different areas of the Attica region. This was done to reach much of the heterogeneous population; avoid location-based bias, and ensure a wide spread of potential respondents.

The scales used to operationalize the concepts of the proposed model were adopted from different sources to suit the study. The trust scale that measures its three sub-dimensions of competence (COMP); integrity (INT), and benevolence (BEN) and the relationship satisfaction scale (SAT) were adopted from Sanchez-Franco et al. (2009). Affective commitment (COM) was measured using the scale proposed by Kwortnik and Han (2011). Finally, brand loyalty was assessed based on the proposals of Zeithaml et al. (1996). The proposed scale comprises three main dimensions: repurchase intention (RPI), references/recommendation (REC), and price tolerance (PTOL). All items were measured on a seven-point Likert scale ranging from 1 “strongly disagree” to 7 “strongly agree”.

Of the 800 completed questionnaires, 21 questionnaires were eliminated due to incomplete data, leaving 779 questionnaires for data analysis. Exploratory factor analysis and partial least squares path methodology (PLS-PM), an implementation of structural equation modelling (SEM) with Smart PLS 2.0 M3 (Ringle et al., 2005), were employed to examine the validity of our model and test the proposed hypotheses. The sample size of 779 respondents considered to be adequate for PLS-PM implementation. In general, the most complex regression in PLS implementation will involve either the indicators of the most complex formative construct or the largest number of antecedent constructs leading to an endogenous construct. Based on Barclay et al. (1995), sample size requirements should be at least ten times the number of predictors from either of the above rules, whichever is greater. In our case, the larger number of antecedent constructs leading to an endogenous construct is four and the minimum sample size to run PLS-PM, based on the above rule, is 40 cases.

4. EMPIRICAL RESULTS

The majority of participants were male (55%). 38% of the respondents were less than 34 years old, 44% were in 34-45 age group, and 18% were more than 55 years old. In terms of educational background, 50% of the respondents had a university degree. 54% of respondents had a monthly income of less than € 1,000, 39% between € 1,000 and € 2,000, and 5% had a monthly income of € 2,000 or more.

4.1 Measurement model assessment

The measurement model examines the relations between manifest variables and latent variables. Exploratory factor analysis (EFA) was initially used to check the dimensionality of the consumer-brand relationship components and the brand loyalty manifestations. The results indicated that benevolence and integrity and repurchase intentions and positive recommendations failed to load in different factors and are thus combined to form the integrity_benevolence factor (INT_BEN) and the behavioral intentions factor (BI) respectively. PLS was then used to confirm the EFA results. The test of the measurement model involves the estimation reliability; convergent validity, and discriminant validity of the study’s first-order constructs, which indicate the strength of measures used to test the proposed model (Hair et al., 2011). The reliability of all constructs was examined using the Cronbach’s Alpha (CA) and Composite Reliability (CR) measures. Hair et al. (2011) suggest that a value of 0.70 provide adequate evidence for internal consistency. As shown in Table 1, CA and CR values of all measures included in the study exceed 0.92 and 0.94 respectively suggesting that all measures were good
indicators of their respective components. The average variance extracted (AVE), which indicates the amount of variance that is captured by the construct in relation to the variance due to measurement error, was used to assess convergent validity. As depicted in Table 1, AVE values for all constructs exceed 0.73, which is much higher than the recommended cut-off value of 0.50 (Hair et al., 2011), suggesting satisfactory convergent validity. Discriminant validity was assessed by comparing the square root of AVE extracted from each construct with the correlations among constructs. The findings provided strong evidence of discriminant validity among all first order constructs. As seen in Table 1 (Part B), the square roots of AVE for all first-order constructs are higher than their shared variances (Hair et al., 2011).

The measurement quality of the formative second-order factors was tested following the suggestions by Diamantopoulos and Winklhofer (2001). First, the correlations among the constructs were examined. As shown in Table 1 (Part B), the absolute correlation among the two first-order trust-related dimensions is 0.68. Although this correlation is relatively high, it still indicates that trust is better represented as a formative rather than a reflective second-order construct since the latter usually exhibit extremely high correlations (≥ 0.8) among their first-order factors (Pavlou and El Sawy, 2006). Second, both first-order trust-related components were found to have significant path coefficients in forming customer perception about trust. Results suggest that among the factors forming trust perception, integrity_benevolence ($\beta = 0.59; \ p < 0.001$) is the most important followed by competence ($\beta = 0.49; \ p < 0.001$). Finally, the variance inflation factors (VIF) were computed for these first-order trust dimensions to assess multicollinearity. Both VIF values of trust factors were found to be less than 10 suggesting that multicollinearity is not a concern for the trust construct (Diamantopoulos and Winklhofer, 2001).

### Table 1: First-order reflective constructs assessment

<table>
<thead>
<tr>
<th>Construct</th>
<th>No. of items</th>
<th>PART A: Psychometric properties of constructs</th>
<th>PART B: Constructs intercorrelations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Loadings CR AVE CA</td>
<td>INT_BEN COMP SAT ACOM ATTL PTOL</td>
</tr>
<tr>
<td>INT_BEN</td>
<td>7</td>
<td>0.80-0.89 0.95 0.72 0.94</td>
<td>0.85</td>
</tr>
<tr>
<td>COMP</td>
<td>4</td>
<td>0.90-0.94 0.96 0.85 0.94</td>
<td>0.68 0.92</td>
</tr>
<tr>
<td>SAT</td>
<td>3</td>
<td>0.84-0.94 0.96 0.83 0.95</td>
<td>0.61 0.74 0.91</td>
</tr>
<tr>
<td>ACOM</td>
<td>4</td>
<td>0.87-0.92 0.94 0.80 0.92</td>
<td>0.61 0.44 0.60 0.89</td>
</tr>
<tr>
<td>BI</td>
<td>6</td>
<td>0.85-0.90 0.94 0.74 0.93</td>
<td>0.70 0.64 0.69 0.62 0.86</td>
</tr>
<tr>
<td>PTOL</td>
<td>3</td>
<td>0.95-0.97 0.97 0.93 0.96</td>
<td>0.52 0.41 0.56 0.66 0.62 0.96</td>
</tr>
</tbody>
</table>

Notes: CR-Composite Reliability; AVE-Average Variance Extracted; CA-Cronbach’s alpha

### 4.2 Structural model assessment

The PLS-PM method was also used to confirm the hypothesized relationships between constructs in the proposed model. The significance of the paths included into the proposed model was tested using a bootstrap resample procedure (Hair et al., 2011). In assessing the PLS model, the squared multiple correlations ($R^2$) for each endogenous latent variable were initially examined and the significance of the structural paths was evaluated. After performing the PLS analysis, the structural model obtained is illustrated in Figure 1. The results indicated that the main driver of behavioral intentions is brand trust ($\beta = 0.43; \ t = 8.62$), followed by satisfaction ($\beta = 0.24; \ t = 5.15$) and commitment ($\beta = 0.22; \ t = 6.26$). Therefore hypotheses $H_{1a,b}$, $H_{2a,b}$, and $H_{3a,b}$ are confirmed. On the other hand, commitment ($\beta = 0.42; \ t = 10.60$) and behavioral intentions ($\beta = 0.30; \ t = 6.51$) affect more price tolerance and to a lesser extent relationship satisfaction ($\beta = 0.13; \ t = 2.77$). The impact of trust on price tolerance is insignificant ($\beta = -0.04; \ t = -0.81$), meaning that trust affects price tolerance only indirectly through satisfaction; commitment, and behavioral intentions. These results confirm $H_{1c}$; $H_{2c}$, and $H_{6b}$ but not $H_{3c}$. Finally,
satisfaction partially mediates the trust-commitment relationship, since the effects of trust on satisfaction ($\beta = 0.75; t = 34.13$) and commitment ($\beta = 0.33; t = 8.03$), as well as that of satisfaction on commitment ($\beta = 0.35; t = 9.08$) are statistically significant, and thus $H_{4a,b}$ and $H_5$ were supported. The proposed model explains 56% of the variance in satisfaction; 41% of variance in commitment; 62% of variance in behavioural intentions, and 52% of variance in price tolerance.

The test on the mediation hypothesis $H_7$ uses the procedure proposed by Hayes (2013) having as input the latent variable scores obtained in PLS analysis. The procedure is implementing bootstrapping (with 5,000 resamples) to test the statistical significance of the mediation effect. The results are given in Table 2. As it is shown the total indirect effect ($\beta = 0.57; t = 13.3$) is decomposed into seven different partial indirect effects, all of which were statistically significant at 5% level, given that no 95% confidence interval contains zero, supporting the validity of hypothesis $H_7$, that satisfaction and relationship commitment serially mediate the trust-brand loyalty links.

![Figure 1: Structural Model’s Results (*** p < 0.001, ** p< 0.05) (Image)](image)

**Table 2: Serial mediation analysis results**

<table>
<thead>
<tr>
<th>Path</th>
<th>Effect</th>
<th>Std. error</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.TR-SAT-PTOL</td>
<td>0.10</td>
<td>0.04</td>
<td>(0.02, 0.19)</td>
</tr>
<tr>
<td>2.TR-SAT-ACOM-PTOL</td>
<td>0.11</td>
<td>0.02</td>
<td>(0.07, 0.15)</td>
</tr>
<tr>
<td>3.TR-SAT-BI-PTOL</td>
<td>0.05</td>
<td>0.02</td>
<td>(0.03, 0.10)</td>
</tr>
<tr>
<td>4.TR-SAT-ACOM-BI-PTOL</td>
<td>0.02</td>
<td>0.01</td>
<td>(0.01, 0.03)</td>
</tr>
<tr>
<td>5.TR-ACOM-PTOL</td>
<td>0.14</td>
<td>0.03</td>
<td>(0.09, 0.20)</td>
</tr>
<tr>
<td>6.TR-ACOM-BI</td>
<td>0.02</td>
<td>0.01</td>
<td>(0.01, 0.04)</td>
</tr>
<tr>
<td>7.TR-BI-PTOL</td>
<td>0.13</td>
<td>0.03</td>
<td>(0.08, 0.20)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>0.57</td>
<td>0.05</td>
<td>(0.47, 0.68)</td>
</tr>
</tbody>
</table>
5. DISCUSSION AND CONCLUSIONS

This study provides valuable insights about the formation of brand loyalty in broadband internet services, by examining the direct and indirect effects of brand trust; customer satisfaction, and commitment on certain manifestations of brand loyalty such as repurchase intentions; spread of positive referrals, and willingness to pay more. The results indicated that brand loyalty is build-up from the direct effects of brand trust, satisfaction and relationship commitment as well as through the efficient conversion of brand trust into brand satisfaction and/or relationship commitment. This is an important contribution, as it sheds light on the mechanism through which brand satisfaction and relationship commitment intervene in the brand trust-brand loyalty manifestations links.

From a theoretical point of view, the results indicated that, in accordance with the commitment-trust theory (Tsai, 2011a, Ou et al., 2014), fixed broadband internet service providers that aim to establish strong relationships with their valuable customers, through trust and satisfaction, will gain customers’ commitment and will enjoy more favourable customers’ behavioral intentions. Moreover, satisfied; committed, and loyal customers will be less sensitive to price increases. From a practical point of view, the findings suggest that consumer-oriented brand development activities enhance customers’ perceptions about internet service providers’ competence, integrity, and benevolence. To achieve this, internet providers have to utilize both classical (i.e. customer communication policy; after sales service, complaint handling, etc.) and contemporary (i.e. web-enabled interactive tools, service automation, work-force automation, etc.) CRM approaches to establish and develop a culture of relationship business. These perceptions have to be efficiently converted into brand satisfaction, relationship commitment, and brand loyalty. Therefore, such activities will help fixed broadband internet service providers reduce attrition rates, limit the relevant revenue leakage, and manage better their expenses for new customers’ acquisition. Another issue that internet service providers have to pay attention is the role of pricing given that customers are currently more sensitive for prices in response to economic recession. It is obvious that strong consumer-brand relationships, in terms of commitment and loyalty, is a prerequisite for customers to merely overlook possible higher prices for the sake of their service providers’ overall relationship performance.

This study, despite the significance of its findings, has a number of limitations. First, the findings and implications of this research were obtained using a cross-sectional study. This reduces the ability of the study to reflect the temporal changes in the research constructs. A longitudinal study on the subject is necessary in order to clarify the effects of temporal changes. Second, the use of a non-probability sampling method does not ensure the full generalisation of results. The proposed model can be used for further research using a random sampling approach that will result in a more representative sample of the investigated population in total. As far as future research recommendations are concerned, certain variables can be incorporated into the proposed framework to enhance its predictive performance and to provide better understanding of the customer’s decision-making process. For example, a future study could consider the effects of perceived service value; customers’ positive and negative switching costs and rivals’ attractiveness on brand loyalty.

References


Abstract

Motion in pictorial representation has not been extensively examined in consumer research. The present article builds upon categorization and conceptual metaphor in order to better understand how visual rhetoric works in the realm of moving images. This experimental study indicates that comprehension is facilitated when the order metaphorical objects appear in ads follows the linguistic form "A is B". However, the reverse order of presentation (B is A) seems to increase consumers' engagement with the ad message. The present findings further suggest that the impact of order of presentation on persuasion is moderated by the conceptual metaphor underlying the visual claim. Contrary to metaphor theory and research, we found that a "B is A" order of presentation might increase persuasion when this order is consistent with the underlying conceptual metaphor. The present article concludes by suggesting that consumer theory might need to reconsider individuals' cognitive structures and the way these are shaped by metaphors.

Keywords: Visual communication, Advertising, Metaphors, Moving images

INTRODUCTION

How does visuals persuade consumers? Consider, for example, the visual metaphors in the ads in figure 1 with the headline "pure energy". In order to understand these ads, consumers might have to transfer an attribute, such as energy, from the wall socket or the pylons to the advertised car. Such a decoding process, however, offers only a limited understanding of how visual persuasion works (Garber and Hyatt, 2003; Grancea, 2012; Larsen, 2008; Malkewitz, Wright, and Friestad, 2003).
Figure 1: Examples of visual metaphors in advertising

A reason for this gap might be that consumer research has not systematically examined the knowledge structures and cognitive processes underlying interpretation. For example, consumers might have different perceptions about the type of energy associated with a wall socket, a pylon, or a car. Although such aspects of consumers’ knowledge seem relevant to persuasion, little is known about how this knowledge is integrated in image interpretation, especially in the realm of moving representations (Forceville, 2008).

The present study uses categorization (Rosch et al., 1976) and psycholinguistics as two building blocks in order to better understanding how visual rhetoric works in moving images. We first tap into psycholinguistics and conceptual metaphor (Lakoff and Johnson, 1980) as a way to structure motion in pictures in cognitive terms. Further, we tap into categorization theory in order to understand how individuals cluster functional and perceptual attributes together into categories (Rosch et al., 1976).

LITERATURE REVIEW

Conceptual metaphor

A metaphor can be narrowly seen as a figure of speech -taking the linguistic form "A is B"-that involves a non-literal comparison between two objects. It was Lakoff and Johnson’s (1980, p. 5) main contribution that they defined metaphor not in terms of language, but in terms of thought by arguing that “the essence of metaphor is understanding and experiencing one kind of thing in terms of another”. Further, Lakoff and Johnson (1980) suggested that conceptual metaphors shape the way individuals understand abstract concepts.

The role of conceptual metaphors has not been extensively examined in consumer research. A conceptual metaphor that might be relevant in the study of moving images is the "container" metaphor (Lakoff and Johnson, 1980). Lakoff and Johnson (1980) suggested that individuals impose a container schema (e.g. "we are in the room") on constructs that are not containers. For example, individuals might see a variety of things such as society, emotions, time, the body, or the mind as containers. Evidence of the use of a container schema can be found in expressions such as "Harry is in love" or "Harry is in the Elks Club".
Relevant to the study of moving images is that advertisements often claim that a product contains more of a property. For example, an ad of a USB stick might advertise its data capacity or a business directory the amount of information contained in the directory by metaphorically associating the advertised products with an object that has the required attribute such as a large external hard drive. Yet, it is an open question whether depicting a metaphorical object (e.g., an external hard drive) being transposed into the advertised product is more persuasive than depicting the product being metamorphosed into the metaphorical object. In terms of metaphor theory, the former order ("B is A") is counterintuitive. It is well documented that linguistic metaphors are not revisable without changing the metaphor's meaning or the metaphor becoming incomprehensible (Chiappe, Kennedy, and Smykowski, 2003). For example, reversing the order of the metaphor "jobs are jails" into "jails are jobs" seems to result in a difficult to understand metaphor.

By contrast, some advertising claims might be better seen as transposing the product into something else. For example, an earphone might be seen as being metamorphosed into stereo speakers to communicate sound volume. That is, the product is seen as delivering something better (e.g., sound volume) rather than that it contains more of something. This type of advertising claims seems to be more consistent with the typical linguistic metaphor form "A is B". This order of presentation is also consistent with the observation that the starting point in the interpretation of metaphor in advertising is often the product itself (Forceville, 1996).

**Categorization**

Communication can broadly be defined as an ostensible, purposeful effort to induce changes in an organism's cognitive environment. These changes might be conceptualized as propositions for new combinations of functional and perceptual attributes (i.e., categorizations). Depicted objects might be typically classified at their basic level—for example, as electricity pylons, pins, screws, speakers, or cameras—the level evolved to be the most economical in cognitive terms (Rosch et al., 1976). Objects, however, might be used to imply an attribute about the advertised product. An electricity pylon, for example, might be used to communicate a car's level of "energy" (figure 1). This might be seen an invitation to readers to reorganize the way they categorize these objects. The viewer might need to construct a new ad hoc category, where members (car and electricity pylon) are anchored by a common attribute like energy (see also Bowdle and Gentner, 2005; Glucksberg and Keysar, 1990).

The idea of associating categorization with persuasion might be consistent with the definition of beliefs about an object as "the probability of a relationship between the object of belief and any other object, concept, or goal" (Fisbein 1963, p. 233). Visuals might reinforce (or introduce) such perceived probabilities by proposing that products can be included in a class with other objects that are more strongly associated with a function or an attribute. What might be more important in the study of visual persuasion is the factors influencing class inclusion (i.e., categorizations).

The present study examines two similarity-related constructs that might be relevant to categorization. We introduce the term claim figurativeness to conceptualize the nature of the class inclusion. Claim figurativeness might be defined in terms of the semantic distance (McCabe, 1983) between the objects compared and attribute isometrism (MacCormac, 1985). Semantic distance reflects the extent to which objects (e.g., electricity pylons and cars) are perceived as being distinct (i.e., having less attributes in common) in individuals' cognitive environment. Attribute isometrism describes the extent to which the attributes compared in a metaphor (i.e., common attribute) are comparable (e.g., energy as understood for electricity pylons vs. cars). For example, an ad for a flashlight might communicate light intensity by comparing the advertised product with a
floodlight. In a non-isometric comparison, the illumination of a floodlight might be used to indicate the degree to which a newspaper “sheds light” on events.

**HYPOTHESES**

Based on metaphor research, the present study suggests that attribute isometrism, semantic distance and conceptual metaphor might influence such consumer's responses as comprehension, elaboration, and persuasion. Metaphor research does not suggest any fundamental difference in the processing of literal and figurative comparisons (Glucksberg et al., 1982; Keysar, 1989). For example, a number of studies indicate that individuals' beliefs about a concept can be influenced by semantically distant experiences (e.g., Giessner and Schubert, 2007; Meier, Hauser, Robinson, Friesen, and Schjeldahl, 2007). These findings seem to suggest that figurative claims can still positively influence beliefs. However, figurative claims might require more cognitive effort than literal claims when they are based on dissimilar metrics (Wisniewski and Bassok, 1999) in the context of moving images. In general, it seems that attributes compared in a good metaphor should match each other, but the objects compared should belong to different categories (Stern, 1990). Therefore, we theorize that non-isometric attributes might inhibit clustering of previously unrelated objects and thus have a negative impact on ad comprehension and limit the persuasiveness of ad claims.

We further hypothesize that order of presentation might have an impact on ad comprehension and elaboration. Forceville (2008) explains that one element that might inhibit comprehension is the time it takes for viewers to identify the target and the source of a metaphor. Often, advertisers tease consumers by revealing first the source of the metaphor, making them wonder about the identity of the advertised product and the features (i.e., common attribute) to be mapped from the source of the metaphor to the product. Therefore, we expect that the temporal distance between the appearance of the target and the source of the metaphor in commercials may make their identification more difficult for consumers when the source of the metaphor is presented before the product. This hypothesis is in line with metaphor research suggesting that reversing the order of metaphorical terms in linguistic results in difficult to understand metaphors (Chiappe, Kennedy, Smykowski, 2003). However, reserving the order of the terms (B is A) might also create a form of a positive uncertainty (Thorbjørnsen et al., 2015) that engages consumers in the ad message, which might in turn increase elaboration. Consistent with studies showing metaphor-stimuli consistency effects (Meier et al., 2007), we further expect that advertising claims consistent with a "container metaphor" will increase product attribute beliefs when the secondary object will appear as metamorphosed into the product rather than vice versa. By contrast, advertising claims that are consistent with a "delivery metaphor" will increase product attribute beliefs when the product will appear as metamorphosed into the secondary object rather than vice versa.

**MAIN STUDY**

**Procedure and measures**

Sixty students attending vocational courses participated in a main experiment. Metaphor-consistency was operationalized by means of showing the product metamorphosed into a metaphorical object or the metaphorical object into the product. Participants were shown two ads falling either in the "delivery" or "container" metaphor condition across orders of
presentation (i.e., product appearing before or after the secondary object) and claim figurativeness (literal of figurative claim).

**Stimuli.** The advertised product in the "container metaphor" involved either a USB stick (literal claim) or a business directory (figurative claim). In both cases, the products were coupled with an external hard drive (serving as the metaphorical object) communicating the property of data capacity. The advertised product in the "delivery metaphor" involved either an earphone (in the literal claim condition) or a consumer agency (in the figurative claim condition). The metaphorical object in the "delivery metaphor" was always a loudspeaker pair communicating the sound (earphone) or consumer's voice (consumer agency) volume. The final shot for all spots was always a picture of the product (or that of a graphic representation of a consumer in the case of the consumer agency) along with a fictitious brand name and the product category. The advertised product always appeared 4 seconds after the last object to minimize interference.

**Measures.** All measures were based on 7-point scales. Product attribute beliefs were measured by asking informants to rate the extent to which it seemed to them that the advertised product had the specific attribute (e.g., data capacity or sound/volume) on a scale anchored by "strongly agree/strongly disagree". Comprehension was measured by the sum of two items anchored by "easy/difficult to understand" and by "straightforward/confusing". Six items anchored by "provokes imagery/not imagery provoking", "vivid/dull", and "interesting/boring" “I had many/few thoughts”, “the ad has multiple/one meaning(s)”, and “the ad has complex/simple meaning(s)” were used to measure elaboration (McQuarrie and Mick, 1999).

Semantic distance was measured based on a semantic differential scale anchored by "unrelated/related" asking participants to rate the extent to which they found the objects to be related (Gkiouzepas and Hogg, 2011; McCabe, 1983). Attribute isomorphism was measured by asking participants to rate the extent to which it was easy for them to compare the attributes between the objects appeared in the stimuli (e.g., data capacity of external hard drive vs. a USB stick or data capacity of external hard drive vs. a business directory). This single scale was anchored by "totally disagree/totally agree".

**Results**

Two-way repeated-measures ANOVAs were used to analyze the data with order of presentation (product metamorphosed into metaphorical object or vice versa) and claim figurativeness (literal or figurative) as the between-subjects independent variables. Participants found the objects in literal claims to be semantically more related to each other as compared to figurative claims ($p < .001$). Similarly, the attributes shared between the product and the depicted object was found to be more comparable in literal claims as compared to figurative claims ($p < .05$).

A significant main effect of claim figurativeness on the comprehension measure indicated that figurative claims were found to be more difficult to understand than literal claims in ads involving moving images ($F(1, 56) = 20.17, p < .001$). Next, we examined the measure of product attribute beliefs. In a similar fashion to the comprehension measure, figurative claims limited the impact of visual metaphor on product attribute beliefs as compared to literal claims ($F(1, 56) = 32.41, p < .001$) regardless of the underlying conceptual metaphor.

Moreover, a significant main effect of order of presentation on comprehension ($F(1, 56) = 9.19, p < .01$) further indicated that presenting the product first and the secondary object next was overall easier to understand as compared to the reversed
order. However, ads provoked greater elaboration $F(1, 56) = 3.55, p<.07$ whenever the product appeared after the secondary object ("B is A" order of presentation). Finally, a significant interaction between conceptual metaphor and order of presentation ($F(1, 56) = 8.00, p<.01$) for the measure of product attribute beliefs suggested that presenting first the secondary object increased product attribute beliefs as compared to presenting it after the product for ads involving a container metaphor whereas presenting first the product was more persuasive than presenting after the secondary object for ad involving a delivery metaphor.

DISCUSSION

The present study was a first attempt to examine metaphors in the realm of the moving image. Moving representations were not systematically examined in consumer research (Forceville, 2008). In order to structure metaphors in moving representations, we tapped into categorization (Rosch et al., 1976) and psycholinguistics (Lakoff and Johnson, 1980). Categorization theory was used to understand literal and figurative claims. In particular, the present study examined the way semantic distance and attribute isometrism influence class inclusion and therefore consumers' responses to animated images in ads.

Our findings indicate that conceptual metaphor and categorization theory might both inform consumer research on visual communication. In the context of animated visual metaphors, figurative claims seem to inhibit ad comprehension and persuasion as compared to literal claims. These findings might further suggest that comprehension and persuasion of semantically dissimilar metaphorical objects seems to be moderated by the extent to which the shared attribute is perceived to be isometric.

Adopting the typical metaphor form "A is B" in the realm of moving images seems to facilitate understanding of ads regardless of the underlying conceptual metaphor. Changing the order of the metaphorical terms in moving images ("B is A"), however, might engage consumers in the ad message to a greater extent than the typical "A is B" order of presentation. More interestingly, the present study also indicates that advertising claims might be more persuasive when the metaphorical objects' order of appearance follows that implied by their underlying conceptual metaphor.

In sum, a new approach to visual learning might need to take under account not only the relationships between individuals' knowledge and experiences induced by images, but also the underlying metaphors used by individuals to structure abstract concepts. It is hoped that this study helps research move towards this direction and contribute to a clearer understanding of how moving representations work in ad communication.

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References


Political Marketing and Advertising in the Municipality Hellenic Government

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Abstract:
We must not forget that according to accomplished writers of political marketing, political communication is probably the most cerebral combination of Art and Science. The purpose of the research is to find results pursuant to which the elected consultants of the local government in Greece decide, envision and act, political influenced or not by political advertising and the political marketing. The methodology that was followed is the method of questionnaires, from March 2014 – May 2015 and was answered by elected consultants of the local governments in Central Macedonia. Our conclusions demonstrate the rate of blending in political advertising and political marketing among the consultants.

Keywords: Political Marketing, Political Advertising, Economic crisis

1. INTRODUCTION
The purpose of this research is to show whether the Greek politicians of local government envision, decide, promote and accept or not political marketing and political advertisements i.e. decisions are guided by experienced political marketing consultants or purely through their personal experiences or through the influence of political parties in which those elected consultants belong. According to researches political advertising is used more often in 2015 than in the past. The word "Advertisement" appeared in the Greek dictionary in 1887.

According to Ms Zervou (2008) Marketing in politics is inextricably connected with three factors:
• The need to be applied to the promotion of politics and politicians, rational understanding methods, study and directional behavior.
• The correlation of industrial production with the increasing growth in the services sector in Western countries. As marketing constitutes a crucial component of the service sector, its influence on society and in that case in politics and as a set of technical means, it is continuously increasing over the years.
• The gradually increasing method's application in the public sector's function.

2. THEORITICAL BACKGROUND
The political candidate, mayor or prefect with his communication he addresses in three equal sizes but distinct circles of people.
• In the basic core of his supporters
• In the people who belong to the same political space
• In the people of the "Silent" majority including the undecided, indifferent, the non-aligned and other

The first category consists of all the people of the candidate. Relatives and friends but also loyal soldiers who share the same vision enthusiasm.

The second cycyle is related to those who belong to the same political party. They are the citizens who often use as a criterion for their selection of political party the nomination of candidates.

The third circle of potential voters constitutes the large part of the electorate that doesn't fall into partisant formations. It isn't manipulated easily and always strives to maintain its personal autonomy.

The political advertising is presented in its modern form since the electoral period in 1989-1990 as in the municipality elections of 1906 the first attempts on a new approach were made but they failed due to political polarization conditions and personal conflicts that were in top level. Nowadays people have chosen the calm, honest and soft approaches, the end of big visions and traditional ideologies is coming as in the Greek advertisements sober approach bad rationalism gain ground.

Today in May 2015 according to our research it is proved that the consultants of political marketing and advertising have immense communicative power in designing a development program and in persuading the voters. It can be an important
aid for programs and their success in the election of the mayors and their consultants.

3. HYPOTHESIS
a) Is there any use of Political Marketing Managers in the Hellenic Political life?
b) Does the economic crisis has affected the use of marketing in general and hence in political and advertising Marketing?
c) Does the ages and the different academic knowledge affects the decision of the political candidates to use Marketing advisors?
d) What is the effect of Political and Advertising Managers to their decisions?

4. METHODOLOGY
Our research aimed at politicians of the local government of Central Macedonia namely the prefectures of Imathia, Pieria, Thessaloniki, Pella, Chalkidiki and Serres in Greece. The number of the questionairies was 205 and they were all answered of current political figures with personal interviewees during the City Council. The program which was used to analyze the data was SPSS; questionnaires were made according to the Likert method, thurstone, rating scale. Our questionnaires consisted of 22 questions and it is split into three stages. A stage includes the demographic characteristics of those surveyed(age, education level, sex and their municipality). In the second stage the affection's degree of decisions by either political consultants or political beliefs and finally the third stage which is related with the sources they use to update and inform through advertising.

5. RESULTS
According to the results of our research 144 out of 205 interviewees i.e. the 70.2% are men, 29.8% are women of the local government of the areas of research. The 29.8% of women that are actively involved with the local government seems to belong to the quota existing from the current electoral system of the representation of 20%. It is fully compatible with the existing legislative system and we could say that it occurs with a better view on our research.
But how many of them have asked the opinion of a political marketing consultant? Only the 33.1% answered 'yes' and 65.4% 'no' while 1.5% answered 'no opinion'.

Figure 1. Political Marketing Managers in Local Government

<table>
<thead>
<tr>
<th>Political Marketing Managers in Local Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES 33%</td>
</tr>
<tr>
<td>NO 65%</td>
</tr>
<tr>
<td>NO OPINION 2%</td>
</tr>
</tbody>
</table>

To the question 'Do you believe that the institution of local government must be supported by tax funds paid by the residents of your area to the existing Greek fax system in order to exist a self-financing for projects of each municipality (e.g. percentage of income tax and VAT'S performance of entrepreneurs in the region to be supervened in Municipality's funds) a total 57.1% answered 'I agree very much' and 'I agree a lot', 15.6% kept a neutral position replying 'Neither agree/Nor disagree' and 27.3% answered 'Disagree a little and totally disagree'.
To the question 'Do you consider necessary the view/opinion of a marketing consultant during the election and the post election period?' 41.95% replied 'Very Much' and 'Much' 26.83% replied 'Moderate degree' and 31.22% replied 'Little and Not at all'.

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According to our findings, to the question 'What are the issues that concern them the most in politics, the biggest percentage (79%) is economic problems, then follows national issues with 38.3%, 35% the cultural matters of society and 22% replied that budgetary issues are important while 12.2% replied geopolitical matters.

From the interviews above we see that 60% are aged 30-50, if in this percentage we add the even younger aged 21-29 (7.8%) the percentage reaches almost 70%. So it appears that local government can be represented by all ages and new ideas can be constantly promoted.

3.4% have only the basic education (Junior High School). 25.8% are high school graduates and the highest rates belong to the graduates of Higher Education with a percentage more than 50%. 9% responded that has continued Post Graduate studies and only 1 out of 10 have done a PhD. As it is expected most responds to our survey were given from the biggest prefecture of Thessaloniki where the 49.8% of the interviewees belong to the prefecture of Thessaloniki. The 23.4% to the prefecture of Pieria and the Perfecture of Serres follows with 9.7%. Pella with 8.8% and Imathia with 7.8%

We asked and learned how long the mandate of a mayor should or a dispute mayor be 47.3% replied a maximum of two terms. These answers are the same as those in the above question (how many years are you involved with the local government). 28.3% answered only one term should be carried out by a mayor, 18.5% said that there should not be a restriction and 0.5% said up to 4 terms. One term is equivalent to four years.

According to the answers given by the respondents the three main characteristics they believe should govern a politician are: First with 78.4% 'to be honest', second with a share of 70% 'be innovative' and the third preference in accordance with the already elected 'is to be serious'. Next with a percentage of 52.2% 'to be experienced' 40% 'Inspire Confidence' and at last with 30.3% 'to be humble'.

Moreover, 74.2% answered positively that he should refer to a particular issue and highlight the solution. The rates in the question whether he should contain just a video clip without an extensive text appeared to be shared. Also, 28.8% answered “Neutral” in the Phrase “would you including only video clips with no writing comments”. To the question if they agree to contain testimonial deposits from public reactions to the presence of a politician 52.7% answered positively, 28.8% neutral and 17.5% Little and Not at all. To the question whether we should Targeting on the Candidate Personality and describe his personal life 43.4% responded “Extremely Important”. Finally the question if the advertising should promote them as a politicians and attacking their opponents, 73.2 % was negatively and only 10.7% positively.
Table 1. Concerns and Targeting of the Candidates by Political Advertising

<table>
<thead>
<tr>
<th>Concerns and Targeting in Candidate Personality and Describe their personal Life</th>
<th>Extremely Important</th>
<th>Important-Very much</th>
<th>Neutral</th>
<th>Little</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeting in Candidate Personality and Describe their personal Life</td>
<td>17.1%</td>
<td>26.3%</td>
<td>30.7%</td>
<td>17.1%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Including only video clips with no writing comments</td>
<td>8.3%</td>
<td>16.1%</td>
<td>28.8%</td>
<td>23.9%</td>
<td>22.9%</td>
</tr>
<tr>
<td>Include Confessions, testimonials from voters to their political appearance</td>
<td>22%</td>
<td>31.7%</td>
<td>28.8%</td>
<td>10.7%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Presenting your Certain Political Position and analyze it Verbally</td>
<td>48.3%</td>
<td>36.1%</td>
<td>10.7%</td>
<td>2%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Focus to your political Philosophy &amp; work of the candidate</td>
<td>65.4%</td>
<td>23.4%</td>
<td>5.8%</td>
<td>2%</td>
<td>3.4%</td>
</tr>
<tr>
<td>To analyze a certain specific manner and promote the solution</td>
<td>40.5%</td>
<td>33.7%</td>
<td>14%</td>
<td>7.8%</td>
<td>4%</td>
</tr>
<tr>
<td>Promoting you as a Politician and attacking your opponents</td>
<td>7.8%</td>
<td>2.9%</td>
<td>16.1%</td>
<td>31.7%</td>
<td>41.5%</td>
</tr>
</tbody>
</table>

To the question express your dissatisfaction degree towards a political advertisement in which the advertiser attacks to the opponent's ethos 69.2% answered “Neutral” and only 20.6% are positive in this. The answers are the same in the question above, whether he should attack to the opponents or not.

Figure 4. Negatively Advertisement Attacking Opponents

6. Conclusion
It is understood that gradually councilmen want the guidance of a marketing consultant by 33.1% because of their young age 30-49 years old, contrast of the older 60% 49-70 years old because of their low academic knowledge too. We understand that even the potential councilmen let alone the voters are tired from the current electoral system.

It is shown that in the local government, political judgment of Greek political system in which even the councilmen want truth and honesty along with innovation and small growth ideas.

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The role of consumers in complementing corporate social responsibility to build the brand loyalty

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Abstract
The literature is replete with articles highlighting the significant of corporate social responsibility (CSR), however, little, if any, of the previous literature considered the role of consumer in succeeding corporate social responsibility and whether that going to influence the brand loyalty positively. It is the foundation of the current paper that it could be difficult for corporate social responsibility to successes without assistance of consumers. Therefore, the purpose of this paper is accompanied corporate social responsibility with consumer social responsibility to investigate if the interact between them will support the company to have a successful CSR activities to achieve the brand loyalty. This paper premise on separate CSR dimensions involved ‘economic, legal-ethical, philanthropy and environment to investigate its impact on consumer behaviour; Moreover, previous studies on CSR has identified various factors that may change the effectiveness of CSR but has not, to our knowledge examined factors that may affect the relationship between CSR activities and buyer-seller relationship such as consumer characteristics, therefore according to He, Y. Lai, K. (2014) this paper will explore the moderator role of consumer characteristics comprised, religion, age, income and education on the relationship between CSR, CnSR and consumer behaviour.

Keywords: corporate social responsibility, consumer social responsibility, brand trust, brand loyalty

1. INTRODUCTION

The growing literature has focused on corporate social responsibility (CSR) from one concept: economic, environment or philanthropy. As has been asserted by prior research, CSR has been the object of much research in recent decades, and researchers have adopted various perspectives. Initially, the concept was exclusively associated with economic aspects, understood as the firm’s obligation to maximise shareholders’ value, although the literature traditionally examined the impact of CSR on corporate marketing outcomes from a management perspective by focusing on three concepts of CSR (Pavols A. Vlachos. Argiris Tsamakos. Panagiotis K. Avramidis, 2009; Won-Moo Hur. Hanna Kim. Jeong Woo, 2013; Yan Zhu. Li-Yun Sun. Alicia S. M. Leung, 2013; Jiyun Kang. Gwendolyn Hustvedt, 2014). Therefore the current paper is based on separate CSR dimensions and investigates its impact on consumer behaviour. Five dimensions of CSR will be the main object to be examined in this paper which has been classified by Carrol (1979). Previous studies into CSR have identified various factors that may alter the effectiveness of CSR but have not, to our knowledge, examined factors that may affect the relationship between CSR activities and the buyer-seller relationship such as religion , therefore, according to He, Y. Lai, K. (2014), this paper will explore the moderator role of religion on the relationship between CSR and consumer behaviour. Moreover, the current paper is explore new trends which going to add value to the corporate social responsibility literature that is consumer social responsibility (CnSR). Scott J. Vitell (2014) defined the new concept and recommended new study to conceptualise and measure the new concept to explore the role of consumer social responsibility (CnSR) when it interacts with corporate social responsibility (CSR). Corporate social responsibility (CSR) focused in businesses is best defined as one that proactively offers social benefits or public service and voluntarily minimises practices that harm society, regardless of any legal requirements. In “exchange” for this behaviour, it anticipates the approval and support of customers. However, this strategy is only likely to be effective if there is sufficient consumer demand for the products or services that firms are actually offering. Meanwhile, if the company’s objectives such as profit, associated with the consumer interests, therefore, achieving social benefits and public service will also achieve profits, but if they are not associated, then appeal to social benefits/public service will be much less likely to succeed in the absence of government mandate. For the aim of this paper, we will assume that both the consumers and the sellers have a great deal of freedom to make their own choices in these matters. That being the case, then perhaps companies cannot truly achieve CSR without CnSR. Therefore, the best way to impact socially responsible corporate decision-making may be to
influence consumers to demand products and services that are, in fact, socially responsible. This link between CSR and CnSR is sufficient reason to emphasise the significance of the study of CnSR.

2. LITERATURE REVIEW

A Study conducted by Belk 2005 found that consumers not concerned about ethics issues, such as damage the environment and poor works conditions, they mainly interested in obtaining good product at a reasonable price. Nevertheless, the link between CSR and consumer likelihood to purchase from a company ‘CnSR’ is most likely to exist if the products sold by that company appear to comply with ethical and social requirements, and the company already has an acknowledge commitment to protect consumer rights and interests (Castaldo, 2009). Thus, this study further demonstrated the potentially close link between CSR and CnSR. That is for example, if consumers do not generally trust a particular retailer as being socially responsible, they will not be likely to trust the green products (i.e, fair-trade products) that the retailer is marketing.

Majority of studies suggest that CSR activities have a significant impact on several consumer-related outcomes such as purchase intention, brand choice and recommendations, and customer loyalty (Sen& Bhattacharya, 2001; Salmons, 2005; Werther& Chandler, 2005). Although this aggregate positive relationship between a company’s CSR record and consumers’ reactions represents an important beginning in the understanding of CSR. Other investigations demonstrate that the relationship between a company’s CSR actions and consumers’ reaction is not always direct and evident. Others even show that CSR is not relevant for consumers’ decisions, and in some cases, consumers may fail to consider the bad social behaviour of a company when making their purchases Castaldo, Perrini Misani, & Tencati, (2009).

Moreover, the existing literature gradually focused on how and why specific CSR initiatives influence consumers’ behaviour. On the one hand, some research explored some key moderators of consumers’ CSR responses, including company-specific variables such as product quality, CSR domain and individual-specific variables such as CSR-related beliefs (Sen & Bhattacharya, 2001). On the other hand, the mechanism underlying consumers’ response to CSR is emphasized in the existing literature and CSR has been shown indirectly impact consumer behaviour. For instance, high corporate credibility (positive reputation, community and environmental contributions) led to a more positive attitude towards the brand than low corporate credibility, so as to positively influence consumers purchase intentions (Sen & Bhattacharya, 2001).

Overall, the effect of CSR on consumers’ behaviours remains uncertain for two main reasons. First, there is a complicated relationship between CSR and consumers’ behaviours in reality. The mechanism underlying consumers’ response to CSR needs more theoretical and empirical studies. For instance, some investigations found that CSR may have a positive effect on brand/corporate image so as to influence consumers’ purchasing intentions. However, brand image is a construct with several dimensions and the understanding of separating different dimensions of brand image will be more helpful, second, past literature either focused on limited aspects of CSR such as community involvement and corporate giving, or considered CSR at an aggregate level, resulting in significant disagreement about the effect of CSR.

3. RESEARCH CONCEPTUAL FRAMEWORK

It has been stated by literature that consumer perception toward CSR has an essential influence on consumer behaviour. Nevertheless, due to that most prior studies focused on CSR from one or two concepts, the results were contradictory, there is no consensus between scholars about the impact of consumer perception toward CSR on the consumer behaviour. Therefore, the proposed conceptual model of this study assumes that brand loyalty is affected by the following dimensions of CSR: economic, Legal-Ethical, philanthropy and environment. Moreover, consumer characteristics are considered as moderators factors that may impacts the relationship between CSR, CnSR and brand loyalty. Moreover, consumer social responsibility construct will be conceptualised in the framework of the current research and explore its measurements to discover whether it has an impact on brand loyalty. The predictor variables from the above-mentioned moderator factors consumer characteristics which included, religion, age, income, and education. The framework bellow presents the proposed conceptual model of the relationship between CSR, CnSR, brand trust, brand loyalty.
4. RESEARCH METHOD

Measures and Sample

In order to comply with the objectives of this paper and test the research hypotheses, the current paper designed a study based on a personal survey of retail companies in the UK. This is a sector in which those who are strongly involved in social responsibility compete, so that it is interesting to determine how their efforts are perceived by the consumers, and the consequences for consumer behaviour. Hence there is no full consensus about the measurement of social responsibility, since in some cases only the social dimension is included, while in others a broader point of view is adopted. However, this paper follows the best proposal of Maignan and Ferrell (2000), Maignan (2001) and Seifert et al. (2003) which considers the multi-dimensionality of corporate social responsibility (CSR). Therefore, this study has adopted Carroll’s proposal of 1991 to measure the corporate social responsibility dimensions separately: ‘economic, legal-ethical and philanthropy’, and also adds one more dimension, namely, ‘environment’, which has been added by Supran Kumar Sharma Shravani, (2013) as one of CSR’s dimensions to investigate its impact on brand loyalty. This paper conceptualised and measured consumer social responsibility (CnSR) by adopting the consumer ethical beliefs measurement by Vitell & Muncy (2005): thirty items divided into six dimensions (Active, Passive, Deceptive, No Haram, Recycling, and DoGood).

Since the brand loyalty in this study measured by both attitudinal and behavioural criteria, items adopted from Zeithaml, Berry, and Parasuraman (1996) were measured to use brand loyalty. These focused on positive attitude, positive word of mouth and repeat purchase behaviour. Another dependent variable for the current study that is considered as a mediator variable is called brand trust. the current research will therefore treat brand trust as a mediation variable. Brand trust has been measured by eight items in to measure consumer believes that a company will continue to deliver what it has promised Erdem and Swait (2004).

The present study will adapt the consumer characteristics to explore its moderator impact. Four dimensions were included in the surveys to elicit consumer characteristics (religion, age, gender, education and income), and religious items including...
the intrinsic/ extrinsic religiousness scale adapted from Allport and Ross (1967) by Kirkpatrick (1988) measured religiousness. The data will be collected by surveys, and the decision to choose a survey method based on a number of factors which include sampling, type of population, question format, question content, response rate, costs, and duration of data collection. The most appropriate survey method for this research was a self-administrated one. This study used a self-administrated survey because it had the advantages of versatility and speed, and also worked as a check-point to ensure that all respondents in this study understood the concepts they were answering.

5. CONCLUSION

The current paper presented that corporate social responsibility (CSR) might be achieved if there is appropriate consumer social responsibility (CnSR). Most number of previous studies asserted that many consumers claim to be more socially responsible than they really are. Financial issues and the quality of the products are more likely to drive consumer choices than socially responsible issues. Therefore, in order to achieve successful corporate social responsibility activities, consumers should be targeted and persuaded about their role in this endeavour. Future research in the area of CSR should first pay significant attention to marketers’ efforts to help to innovate/inform responsible consumers (Smith et al. 2010). In particular, studies should explore whether marketing could help to create responsible consumers. Second, Vitell (2014) suggested that there is a need to conceptualise the CnSR construct and measure it empirically. Therefore, the further aim of this study is to conceptualise CnSR and measure it to explore the consumer’s role in corporate social responsibility (CSR) activities, and also to investigate the relationship between CSR, CnSR and consumer behaviour, which needs to be explored and investigated. According to the previous recent literature, the current research answers a call by conducting the current study to add value to corporate social responsibility (CSR) literature.

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Students as customers in higher education: The debate needs to end

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Abstract

Even though marketing in higher education is well established there is a continued debate about who the customer is with many still unaccepting that students should be viewed as a customer in higher education. The paper examines this debate using the framework of market orientation, customer orientation and service and relationship marketing. The paper includes recommendations about ways to resolve the dispute and concludes that students must be considered customers in the development of marketing strategy.

INTRODUCTION

Drucker (1954) indicated the only reason a company exists is to satisfy customers, adding that marketing is "the whole business seen from the point of view of its final result, that is, from the customer's point of view” (p. 39). Market-oriented firms would agree. Kotler (1977) described a market-driven orientation as focused on satisfying customer needs. Marketing in higher education is well established and it would reason that this means that there is a customer focus. However there is a continued debate over who the customer is; there is not universal agreement that the student is a customer in higher education. If students are not viewed as customers this could indicate a lack of customer orientation and does have implications that should be explored. The perception that students are not customers is important since “how the consumer of the service is defined partly determines the view the university takes of the consumer and thus the service they provide them” (Pitman 2000 p. 166). So who the customer is matters. This paper examines the debate using the framework of market and customer orientation and services and relationship marketing, with the aim and objective to clarify the issue, of whether students are actually customers, to end the debate.

MARKET AND CUSTOMER ORIENTATION

Research has shown a market orientation can enable the organization to compete by creating and maintaining superior value through effective application of the marketing mix, creating a link between customer needs and organizational strengths, and a consideration of the competition from the customer perspective (Jaworski & Kohli 1993; Kohli & Jaworski 1990; Narver & Slater 1990). Research also shows that the creation of an internal environment which supports customer focus amongst all employees within an organization leads to more profitable organizations (Jaworski &
MARKETING IN HIGHER EDUCATION

The use of marketing in higher education is well established (Hemsley-Brown & Oplatka 2006). For example, higher education engages in advertising to students and other groups and in branding (Chapleo & Reader 2014; Khanna, Jacob, Yadav 2014; Williams & Omar 2014; Lowrie 2007). These marketing activities are in support of a higher education institutions’ recruiting and retention efforts (recruiting and retention relate to the purpose of a business being to obtain and retain a customer per Drucker). Two statistics frequently viewed as measures of student success are the freshman-to-sophomore retention rate and the cohort graduation rate. The freshman-to-sophomore retention rate measures the percentage of first-time, full-time students enrolled at the university the following fall semester. The cohort graduation rate is defined as the percentage of an entering class that graduates within a specified period of time with a baccalaureate degree. Students persisting to completion of their educational goals is a key gauge of student success, and therefore institutional success. So students should be viewed as customers.

Marketing of higher education institutions is common in the United States (and the UK). Marketing of any product requires an understanding of the customer. This is also true in higher education. Research in the area of marketing and customer satisfaction in higher education highlights the question of who is the customer. Whether the student is a customer is a long-standing debate (Alford 2002; Hom 2002; Olshavsky & Spreng 1995; Pitman 2000). Research in this area highlights the differing opinions; however higher education is no different than other industries that have multiple customers (Schwartzman 1995; Sirvanci 1996; Taylor 1996). The customer can be viewed as the student, the employers and other stakeholders. Since who is viewed as the customer influences policies and practices. If students are not viewed as customers this could indicate a lack of customer orientation and does have implications that should be explored. So who the customer is matters.

Maguad (2007) addressed the issue of higher education institutions adopting a customer-centric focus. The notion that students are customers is not easily accepted by some in the traditional education community. Maguad discussed the nature of a customer and differentiates students from the stereotypical definition of a customer. However, if students are not customers conducting surveys on their satisfaction would not be needed but in many US higher education institutions end of course surveys, National Survey of Student Engagement (NSSE), Student Satisfaction Inventory (SSI) or other student satisfaction surveys are conducted. In the UK the National Student Satisfaction Survey and Student Satisfaction Approach are two methods that have been used to get opinions and student satisfaction ratings (Williams & Cappuccini-Ansfield 2007).

Customer orientation is defined as an individual’s set of beliefs that put the customers’ interests first (Deshpandé, Farley, & Webster 1993). In addition, some research suggests customer orientation is the most important component of market orientation (Peters & Austin 1985; Peters & Waterman 1982). Inseparability, one of the four I’s associated with the
marketing of services, indicates in order to effectively carry out these activities a customer mind-set is required throughout the organization (Dowling 2002; Fournier, Dobscha, & Mick 1998; Gulati & Oldroyd 2005). In a market-oriented organization all employees see themselves as responsible for the customer (Schlosser & McNaughton 2007).

Faculty attitudes do matter (Kuh & Hu 2001; Levitz & Noe 2000; Umbach & Wawrzynski 2005) and Bean and Bradley (1986) found that satisfaction had a significant influence on students’ performance. Guilbault (2010) found that faculty had the lowest customer mindset of the higher education employees surveyed.

This perspective highlights a real issue in that the faculty often does not see student satisfaction as a goal and this is reflected in satisfaction, reputation, and retention (Hasan, Ilias, Rahman, & Razak 2008; Wallace 1999). These detriments indicate faculty can do better by focusing on student satisfaction. Accepting the perspective of students as customers does not mean that faculty are giving away education or that students must be given “As” to be satisfied. This leads to a common argument that if the student is viewed as a customer they must be given what they want. This is based on the saying that the customer is always right. However, this philosophy comes from Harry Gordon Selridge in 1909 and even in industries other than education the model that the customer is always right is no longer universal.

STUDENTS AS CUSTOMERS

Higher education is a service (Mazzarol 1998; Ostrom, Bitner, & Burkhard 2011). Although it is acknowledged higher education has many customers and stakeholders (future employers, government, society), Ostrom et al. (2011) state that students are the core customers. Ostrom et al. (2010) view education as a service system and borrow the concept of service blueprinting. The use of blueprinting by Ostrom et al. “highlights the steps in the process, the points of contact that take place, and the physical evidence that exists from the customer’s point of view” (p. 2). Cuthbert (2010) states that thinking of students as customers is a natural consequence of taking marketing in higher education seriously. Mazzarol (1998) emphasizes the importance of relationships in education and research supports applying the relationship marketing approach to higher education (Hemsley-Brown & Oplatka 2006). And Caru and Cova (2003) state that where there is a financial exchange a consumer experience is produced. Using this view indicates higher education should be driven by focusing on students as customers.

Students certainly view themselves as customers. But this view is often not accepted by academics. One reason seems to be a feeling that there is contradiction between academic integrity and providing an education and providing high quality customer service (Emery, Kramer & Tian 2001; Guilbault 2010; Molesworth, Nixon & Sculion 2009). However studies have not proven this to be the case (Koris & Nokelainen 2015; Mark 2013). Koris and Nokelainen (2015) validated a student-customer orientation questionnaire (SCOQ) that allows higher education institutions “to identify the categories of educational experience in which students expect higher educational institutions (HEI) to be student-customer oriented” (Koris & Nokelainen 2015, p. 115). The findings from this study indicate that “students expect to be treated as customers in terms of student feedback, classroom studies, and to some extent also in terms of communication…” (Koris & Nokelainen 2015, p. 128). But the findings indicated students did not see “themselves as customers when it comes to curriculum design, rigour, classroom behavior and graduation” nor did the students “display specific expectations” in grading (Koris & Nokelainen 2015, p. 128).

Tinto (1993) indicates that the first principle of effective retention programs and assuring student success is “institutional commitment to students.” According to a study by the International Center for Student Retention “how the institution reacts to students is of primary importance to retention, persistence, and completion” (Retention 101, Institutional Factors, ¶ 1). When higher education institutions are developing a retention strategy it should be noted studies show a supportive campus environment assists in retention. The National Survey of Student Engagement (NSSE) also proposes a supportive campus environment is measured by the student’s perception of the quality of relationships among people at the college including other students, faculty members and administrative personnel. Other studies have listed student trust as an important element in retention. Ghosh, Whipple, and Bryan (2001), concluded student trust in the educational institution
was key to improved retention and recruitment. Ghosh et al. (2001) found trust to be built on the students’ perceptions of the college’s openness, friendliness to students, genuineness, and truthfulness. The study reports increased trust has been linked to increased customer satisfaction. The study noted friendliness requires “a student as customer orientation” (Ghosh et al. 2001 Antecedents, ¶4). These attributes seem to define what a customer mind-set looks like in higher education institutions. Since it has been shown that customer mind-set has a direct association with customer satisfaction the research seems to indicate that an increase in customer mind-set would lead to an increase in retention rates.

Increased student retention is one objective for higher education institutions and it is the anticipated outcome of a higher education institution embracing a market orientation. Other goals include higher student satisfaction, improved ratings and increased graduation rates. One antecedent of market orientation is customer mind-set. In higher education institutions it is expected that customer mind-set will have an impact on customer satisfaction, student retention and graduation.

RECOMMENDATION

The customer can be viewed as the student, the employers and other stakeholders. Since who is viewed as the customer influences policies and practices excluding the student from the role of customer can have implications on student satisfaction and retention. Students perceive themselves as customers and there are many actions by Higher Education Institutions that treat students as customers. Instead of continuing to debate whether students are customers perhaps what needs to be considered is how to best treat them as customers (and not lose academic integrity).

The student as customer model (SAC) may have more success when thought of in conjunction with service dominant logic and the view that customers are co-creators of the service (Finney & Finney 2010). Service Dominant Logic states that because service is defined in terms of customer-determined benefit and co-created it is inherently customer oriented and relational (Vargo & Lusch 2006;Vargo & Lusch 2004). For example a member of a fitness center would be a co-creator of the service. The equipment and trainers are provided by the fitness center but the member must actively participate in order to achieve better health, lose weight or get fit. They cannot demand a loss of 10 pounds because they are paying for the membership, just as a student cannot demand an A without earning an A. However, in both cases they can still be viewed as a customer. In addition, the perspective may change if marketing is viewed from the societal marketing concept whereby in addition to meeting the needs of the student there is also a focus on the long run consumer and public welfare (Cuthbert 2010).

Education can be defined as the process of gaining knowledge or the knowledge, skill, and understanding that you get from attending a school, college, or university (Merriam-Webster). Whether students perceive themselves to be co-creators or not it should be noted that education can only occur if learning takes place. And learning requires the engagement of the student (Hamm 1989). Higher education institutions should communicate the need for students to be active participants in order to achieve their desired educational outcomes (Finney & Finney 2010).

It would be helpful to determine how the student views their roles as customers and where students feel they should be treated as a customer and where they feel they are not. This could be accomplished by implementing the student-customer orientation questionnaire (SCOQ) designed by Koris and Nokelainen (2015). The findings from this survey can help in developing the appropriate strategy. Perhaps as was indicated by Cuthbert (2010), what is needed is a “customer orientation on ‘peripheral’ things like respect, courtesy, availability, and relevance rather than on the content and substance of teaching and assessment” (p. 7). This means that systems and processes are user friendly, that adequate parking is provided, and that the students’ safety is ensured. It also means that faculty help students outside of class, respond promptly to students, use methods that are interactive and engaging, and are willing to mentor students (Koris & Nokelainen 2015).

Another area of interest would be to identify areas in the HEI where the beliefs about the importance of students is weak since this can assist in assessing whether functional areas (within the HEI) have embraced a customer orientation. One
significant finding from Guilbault (2010) indicated a very low customer mind-set is linked to low student (customer) satisfaction. Interestingly, of the five functional areas studied, Faculty was found to have a lower internal and external customer mind-set. Since faculty plays an important role in student satisfaction this is an issue. Where a student as customer orientation is not occurring interventions may be needed. Interventions that could be successful include cultural change, training, coaching, and changes in processes and procedures.

CONCLUSIONS

Marketing in higher education continues to be an area worthy of research. Even though marketing in higher education is well established there is a continued debate about who the customer is with many still unaccepting that students should be viewed as a customer in higher education. Although marketing concepts have been applied to higher education further research is needed to explore their success. However one area where the debate needs to stop is whether students are customers. That ship has sailed, what needs to be determined is how to steer it.

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A study of promotion mix decisions in pharmaceutical industry in India

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Abstract

Marketing decisions related to drug promotion are subject to multiple influences including intended communication purpose, resource availability and statutory guidelines. The choice of promotional tools in the pharmaceutical industry is, on the one hand, guided by the communication objectives to be achieved, the therapeutic category of the drug and the specialty of the physician, and on the other hand is being restricted by the promotional budget available and the relevant statutory guidelines and voluntary industry codes of conduct. The present study, examines the practices related to setting of the promotional budget and evaluating the effectiveness of the promotional mix in firms in the pharmaceutical industry in India. Primary data was collected through a structured questionnaire from 105 senior marketing executives working in pharmaceutical firms. Percentage of sales and objective-and-task method are most frequently used for setting the promotional budget. Several methods for evaluating the effectiveness of the various elements of the promotional mix are reported to be employed including sales figures and feedback from the sales force and panel of doctors. Challenges identified in pharmaceutical promotion by marketing executives include high levels of competitive pressures, inadequate promotional skills of field force, prevalent unethical promotional practices and budget constraints.

Keywords: Pharmaceutical industry, promotional budget, promotion mix, effectiveness of promotional tools.

1. INTRODUCTION

The Indian pharmaceuticals market is ranked as the third largest globally in terms of volume and the thirteenth largest in terms of value. It is projected to grow at a 20 per cent compound annual growth rate over the next five years and reach US$ 85 billion by 2020 (www.equitymaster.com). The growth in the Indian domestic market is being driven by several factors including growing consumer spending, increasing urbanisation and growth in healthcare insurance (www.equitymaster.com). The major drivers of growth have been identified as epidemiological factors, increasing affordability due to rising incomes and increasing insurance coverage, enhance accessibility due to expanding medical infrastructure particularly in smaller towns and rural areas, and growing acceptability of modern medicine and new therapies (McKinsey and Co., 2014).

With spending on promotion being the fastest growing component of the marketing budget for prescription drugs, concerns about quality and promotional effectiveness have grown in the pharmaceutical industry (Rosenthal et al. 2003). Despite this fact, little detailed material is available regarding the methodological aspects of understanding the factors influencing the promotion mix decisions (Lim and Kirikoshi, 2005).

2. LITERATURE REVIEW
Stros and Lee (2014) underscore the importance of both innovative products and marketing activities for success in the pharmaceutical industry. According to Hollon (1999), success in the pharmaceutical prescription market is determined not merely by having the best patent or product but by being the best at marketing. Promotion is a critical aspect of a company’s overall marketing strategy and a major determinant of its success or failure (Shimp, 2012). In their literature review of the marketing aspects of the prescription pharmaceutical industry, Stros and Lee (2014) point out that in pharmaceutical marketing, promotion as a marketing instrument appears to be the most relevant as compared to the other elements of the marketing mix. It has been suggested that higher marketing expenditures for a brand may reduce the price elasticity of demand (Windmeijer et al, 2009). It has been pointed out that to win in the Indian pharmaceutical market, the players need to focus on marketing and commercial capabilities including brand building and sales force deployment (McKinsey and Co.).

The promotional mix in the pharmaceutical industry covers a wide range of activities. Promotional activities taken up by the companies to promote the pharmaceutical products include personal selling, advertising, seminars, conferences, sampling, and direct mail (Pitt. and Nel.1988). Pharmaceutical companies in India use medical representative, advertising, journals, and mailers, patient and retailer communication as a part of their marketing strategy (Bhangle, 2007). Taneja and Arora (2006) in their study on the promotional tools used by pharmaceutical industry identified physicians, samples, medical equipment as gift, greeting on birthdays and anniversaries with cakes and gifts, regular visits of medical representative or manager, subscription of journals, sponsorship for personal tours, textbook as gift, participation by company in continuing medical education/conferences, promotion through internet/websites/SMS, sponsorship for stay in conferences, organization of free disease detection camps, high value personal gifts, sponsorship for travel expenses in conference and product literature and updates. In India, drug promotion tools used by pharmaceutical companies can be broadly described as consisting of promotion by medical representatives, samples, advertisements (in journals, direct-to-consumer advertising and mailers), conferences, symposium and scientific meetings and gifts (Donohue et al, 2004). Lal (2001) has listed the promotional activities by pharmaceutical industry in India as including the activities of medical representatives, drug advertisements to physicians, provision of gifts and samples, drug package inserts, direct-to-consumer advertisements, periodicals, telemarketing, holding of conferences, symposium and scientific meetings, sponsoring of medical education and conduct of promotional trials.

In their study on attitudes of pharmaceutical representatives and physicians towards various pharmaceutical drug marketing strategies and tactics employed by pharmaceutical firms, Parker and Pettijohn (2005) found that the two groups differ in their perceptions about the efficacy and ethicality of various promotional strategies. Extant literature on pharmaceutical marketing (Stros and Lee, 2014; Schwartz, Soumerai, & Avorn, 1989) indicates that a distinction is made between scientific and commercial sources of information that can have the potential to influence prescription behaviour. Schwartz, Soumerai, & Avorn (1989) state that though scientific sources of information have a greater influence on physicians as compared to commercial sources, physicians may at times prescribe drugs at a higher rate than that warranted by the scientific evidence about their efficacy. Wieringa and Leeflang (2013) found that in the case of established brands, promotional efforts do not affect sales positively and do not affect their price elasticity but in the case of new brands, according to the diffusion-of-innovation framework, marketing speeds the rate of diffusion and contributes to a higher baseline level of sales.

3. RESEARCH PURPOSE

The present study examines the practices related to setting of the promotional budget and evaluating the effectiveness of the promotional mix in firms in the pharmaceutical industry in India.
4. RESEARCH METHODOLOGY

This study is part of a larger study on various aspects of pharmaceutical promotion in India. Primary data for this part of the study was collected from senior marketing executives working in pharmaceutical firms using a structured questionnaire. The Directory of Pharmaceutical Manufacturing Units in India, available on the website of Department of pharmaceuticals, Ministry of Chemicals and Fertilizers (http://pharmaceuticals.gov.in/) lists 10563 pharmaceutical manufacturers in India. It lists the names, addresses, telephone numbers, and e-mail/website addresses of the firms. From this list 500 firms were selected on the basis of systematic random sampling. Thus every twentieth firm was selected. E-mail ids and phone numbers of marketing managers/brand managers and sales managers or equivalent in these firms were identified and attempts made to contact them. A total of 105 completed and usable responses could be obtained from 64 firms. Together these 64 firms account for more than 45 percent of the turnover of the pharmaceutical industry in India. The administration of the questionnaire was done through personal visits to the offices of the respondents, online on a data collection portal and via e-mail. An online link for the questionnaire was created at surveymonkey.com. Table 1 presents the demographic profile of the respondents who participated in the study.

Table 1: Demographic profile of respondents

<table>
<thead>
<tr>
<th>Company operations</th>
<th>Length of operations in industry (%)</th>
<th>Company classification by sales turnover (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>14.0</td>
<td>Group I &gt;$330mn.</td>
</tr>
<tr>
<td></td>
<td>&gt; 15 years</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2.0</td>
<td>Group II $25mn – 330mn.</td>
</tr>
<tr>
<td></td>
<td>5-10 years</td>
<td></td>
</tr>
<tr>
<td>Marketing and Manufacturing</td>
<td>84.0</td>
<td>Group III &lt; $25 mn</td>
</tr>
<tr>
<td></td>
<td>&lt; 15 years</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Size of marketing team</th>
<th>Size of sales force</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-10</td>
<td>33.3</td>
</tr>
<tr>
<td>10-50</td>
<td>36.1</td>
</tr>
<tr>
<td>50-100</td>
<td>16.7</td>
</tr>
<tr>
<td>100-300</td>
<td>8.3</td>
</tr>
<tr>
<td>&lt; 300</td>
<td>5.6</td>
</tr>
</tbody>
</table>

No. of respondents: 105

5. STUDY FINDINGS

5.1 Method of setting promotional budget

Marketing executives working in pharmaceutical firms were asked to identify the method/s used by their firms to set the promotional budget. Table 2 presents the method used for deciding the promotional budget in pharmaceutical firms surveyed. As per the study the majority of firms surveyed use more than one method for setting their promotional budgets. The most frequently used methods reported were: percentage of sales method (94 percent), objective and task method (66 percent), affordability of company (45 percent), competitors’ expenditure (17 percent) .
Table 2: Method of Setting Promotional Budget

<table>
<thead>
<tr>
<th>Promotional budget method</th>
<th>Adopted (%)</th>
<th>Not adopted (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of sales</td>
<td>93.5</td>
<td>6.5</td>
</tr>
<tr>
<td>Based Competitor's expenditure</td>
<td>17.2</td>
<td>82.8</td>
</tr>
<tr>
<td>Affordability</td>
<td>44.8</td>
<td>55.2</td>
</tr>
<tr>
<td>Objective and task method</td>
<td>65.5</td>
<td>34.5</td>
</tr>
</tbody>
</table>

n=105

5.2 Share of Promotional Tools in Promotional Budget

Percentage share of the promotional budget being spent on various promotional tools by the pharmaceutical firms was investigated. Although promotion in the form of medical detailing by medical representatives was reported to be an important promotional method across all firms, data regarding the expenditures on sales force salaries, commissions, incentives etc. were not available with the respondents. As much as 21 percent of the total promotional budget is being used for giving gifts of various kinds mainly to physicians. The expenditure on sponsorship of physician-related educational programmes is a close second accounting for about 19 percent of promotional spends. The expenditure on providing samples to physicians was reported to be about 17 percent of the promotion budget followed by expenditure on advertisements at 15 percent. Expenditure on trade promotion comprises 10 percent of the promotion budget of the pharmaceutical firms surveyed (Handa & Srivastava, 2014).

5.3 Relationship between percentage expenditure on promotional tool and turnover of the firm

Table 3 presents the relationship between percentage expenditure on promotional tools and turnover of the firm. The percentage share of promotional budget being spent on sponsorship of educational programs is found to be positively associated with size of the firm. Larger firms tend to spend a greater percentage of their budget on sponsorship of educational program.
Table 3: Relationship between percentage expenditure on promotional tool and firm turnover

<table>
<thead>
<tr>
<th>Promotional Tools</th>
<th>Turnover category</th>
<th>Mean % spent on promotional tool out of previous years’ promotional budget</th>
<th>Std. deviation</th>
<th>ANOVA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Samples</td>
<td>Group I</td>
<td>20.55</td>
<td>5.78</td>
<td>2.203</td>
</tr>
<tr>
<td></td>
<td>Group II</td>
<td>13.00</td>
<td>0.85</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Group III</td>
<td>8.00</td>
<td>5.87</td>
<td></td>
</tr>
<tr>
<td>Advertisement</td>
<td>Group I</td>
<td>4.32</td>
<td>0.50</td>
<td>2.285</td>
</tr>
<tr>
<td></td>
<td>Group II</td>
<td>14.77</td>
<td>2.83</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Group III</td>
<td>10.166</td>
<td>0.04</td>
<td></td>
</tr>
<tr>
<td>Sponsorship of Educational programs</td>
<td>Group I</td>
<td>7.31</td>
<td>0.16</td>
<td>11.149</td>
</tr>
<tr>
<td></td>
<td>Group II</td>
<td>23.33</td>
<td>1.43</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Group III</td>
<td>31.66</td>
<td>1.54</td>
<td></td>
</tr>
<tr>
<td>Offers (gifts).</td>
<td>Group I</td>
<td>19.54</td>
<td>2.42</td>
<td>.028</td>
</tr>
<tr>
<td></td>
<td>Group II</td>
<td>19.75</td>
<td>1.58</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Group III</td>
<td>21.78</td>
<td>8.91</td>
<td></td>
</tr>
<tr>
<td>Direct mail.</td>
<td>Group I</td>
<td>1.78</td>
<td>0.54</td>
<td>.361</td>
</tr>
<tr>
<td></td>
<td>Group II</td>
<td>1.62</td>
<td>0.12</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Group III</td>
<td>2.50</td>
<td>0.75</td>
<td></td>
</tr>
<tr>
<td>Patient education.</td>
<td>Group I</td>
<td>6.65</td>
<td>0.38</td>
<td>2.367</td>
</tr>
<tr>
<td></td>
<td>Group II</td>
<td>6.00</td>
<td>0.81</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Group III</td>
<td>13.50</td>
<td>1.47</td>
<td></td>
</tr>
<tr>
<td>Trade promotion.</td>
<td>Group I</td>
<td>13.52</td>
<td>0.96</td>
<td>1.674</td>
</tr>
<tr>
<td></td>
<td>Group II</td>
<td>8.14</td>
<td>1.11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Group III</td>
<td>9.75</td>
<td>3.64</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>Group I</td>
<td>9.73</td>
<td>0.24</td>
<td>2.538</td>
</tr>
<tr>
<td></td>
<td>Group II</td>
<td>5.00</td>
<td>0.36</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Group III</td>
<td>3.88</td>
<td>0.36</td>
<td></td>
</tr>
</tbody>
</table>

No. of respondents: 105

Group I: Companies with turnover >$330mn.

Group II: Companies with turnover between $25mn – 330mn.

Group III: Companies with turnover < $25 mn

5.4 Methods to evaluate the effectiveness of promotional tools

Marketing executives participating in the study were requested to indicate the various methods for assessing effectiveness of the promotional tools used by their firms and to provide their evaluation of the effectiveness of these tools. Amongst all the methods which are used to evaluate the effectiveness of promotion, sales figures of products is rated as the most effective followed by feedback of sales teams, feedback from panel doctors and prescription based reports (Table 4). This indicates that although several methods are being employed for evaluating the effectiveness of promotional tools but sales figures of products is considered as the most visible and tangible criteria.
Table 4: Method of evaluation of effectiveness of promotion - Descriptive statistics

<table>
<thead>
<tr>
<th>Methods of evaluation of promotional effectiveness</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales figures of products</td>
<td>4.17</td>
<td>.89</td>
</tr>
<tr>
<td>Feedback of sales team</td>
<td>3.90</td>
<td>.87</td>
</tr>
<tr>
<td>Feedback from panel doctors</td>
<td>3.89</td>
<td>1.05</td>
</tr>
<tr>
<td>Prescription based reports</td>
<td>3.85</td>
<td>1.09</td>
</tr>
<tr>
<td>Sales based reports</td>
<td>3.68</td>
<td>1.05</td>
</tr>
<tr>
<td>Retail prescription audit</td>
<td>3.67</td>
<td>1.17</td>
</tr>
<tr>
<td>Other sources</td>
<td>3.44</td>
<td>.88</td>
</tr>
</tbody>
</table>

On a scale from 1 to 5 with 1 = Not effective at all and 5 = Very effective

n=105

5.5 Effectiveness of promotional tools for physicians

Marketing executives participating in the study were requested to provide their own evaluation of the effectiveness of the promotional tools aimed at physicians. Table 5 presents the descriptive statistics for perceived effectiveness of promotional tools for physicians. Medical representative were rated as the most effective promotional tools for physicians by the marketing executives followed by educational programs, gifts, samples and advertisements in that order.

Table 5: Perceived effectiveness of promotional tools for physicians - Descriptive statistics

<table>
<thead>
<tr>
<th>Promotional tools aimed at physicians</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Representative</td>
<td>4.33</td>
<td>0.77</td>
</tr>
<tr>
<td>Educational Programs</td>
<td>3.67</td>
<td>0.96</td>
</tr>
<tr>
<td>Gifts</td>
<td>3.40</td>
<td>0.81</td>
</tr>
<tr>
<td>Samples</td>
<td>3.05</td>
<td>1.04</td>
</tr>
<tr>
<td>Advertisements</td>
<td>2.30</td>
<td>1.05</td>
</tr>
</tbody>
</table>

On a scale from 1 to 5 with 1 = Not effective at all and 5 = Very effective

n=105

5.6 relationship between firm demographics and perceived effectiveness of promotional tools.

Table 6 presents the results of the one-way ANOVA conducted to study relationship between company turnover and perceived effectiveness of promotional tools for physicians. Educational programs seem to have a significant association with company turnover. Mean effectiveness of educational programs has been found to be highest in Group II.
Table 6: Perceived Effectiveness of Promotional Tools

for Physicians and Company Turnover- One–way Anova

<table>
<thead>
<tr>
<th>Promotional tools</th>
<th>Company Turnover category</th>
<th>Mean effectiveness of promotional tools</th>
<th>Std. Deviation</th>
<th>ANOVA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>F</td>
</tr>
<tr>
<td>Medical Representative</td>
<td>Group I</td>
<td>4.25</td>
<td>0.74</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Group II</td>
<td>4.47</td>
<td>0.84</td>
<td>1.184</td>
</tr>
<tr>
<td></td>
<td>Group III</td>
<td>4.12</td>
<td>0.93</td>
<td></td>
</tr>
<tr>
<td>Educational Programs</td>
<td>Group I</td>
<td>3.43</td>
<td>1.04</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Group II</td>
<td>4.25</td>
<td>0.88</td>
<td>7.647</td>
</tr>
<tr>
<td></td>
<td>Group III</td>
<td>3.65</td>
<td>0.49</td>
<td></td>
</tr>
<tr>
<td>Advertisements</td>
<td>Group I</td>
<td>2.26</td>
<td>1.14</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Group II</td>
<td>2.90</td>
<td>1.30</td>
<td>2.549</td>
</tr>
<tr>
<td></td>
<td>Group III</td>
<td>2.53</td>
<td>1.01</td>
<td></td>
</tr>
<tr>
<td>Samples</td>
<td>Group I</td>
<td>3.03</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Group II</td>
<td>3.34</td>
<td>1.24</td>
<td>1.711</td>
</tr>
<tr>
<td></td>
<td>Group III</td>
<td>2.77</td>
<td>0.92</td>
<td></td>
</tr>
<tr>
<td>Gifts</td>
<td>Group I</td>
<td>3.62</td>
<td>0.72</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Group II</td>
<td>3.41</td>
<td>1.04</td>
<td>0.53</td>
</tr>
<tr>
<td></td>
<td>Group III</td>
<td>3.59</td>
<td>.93934</td>
<td></td>
</tr>
</tbody>
</table>

No. of respondents: 105

Group I: Companies with turnover >$330mn.

Group II: Companies with turnover between $25mn – 330mn.

Group III: Companies with turnover < $25 mn

Table 7 presents the relationship between the perceived effectiveness of promotional tools and size of marketing department. A significant association has been found between the size of marketing department and perceived effectiveness of medical representative. Highest rating to medical representative as a promotional tool was being given by the marketing executives of firms with marketing department greater than 30 members.
Table 7: Perceived Effectiveness of Promotional Tools and Size of Marketing Department – One-way Anova

<table>
<thead>
<tr>
<th>Promotional Tools</th>
<th>Company category on the basis of size of marketing department</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>ANOVA. F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Representative</td>
<td>1</td>
<td>4.05</td>
<td>0.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>4.25</td>
<td>0.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>4.33</td>
<td>0.58</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>4.14</td>
<td>0.90</td>
<td>4.065</td>
<td>.005</td>
</tr>
<tr>
<td>Educational Programs</td>
<td>1</td>
<td>3.63</td>
<td>0.99</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3.25</td>
<td>0.96</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>3.67</td>
<td>0.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>4.29</td>
<td>0.49</td>
<td>1.242</td>
<td>.300</td>
</tr>
<tr>
<td>Advertisements</td>
<td>1</td>
<td>2.40</td>
<td>1.06</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3.00</td>
<td>0.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>1.33</td>
<td>0.58</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>2.71</td>
<td>1.70</td>
<td>1.205</td>
<td>.315</td>
</tr>
<tr>
<td>Samples</td>
<td>1</td>
<td>3.15</td>
<td>1.06</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3.50</td>
<td>0.58</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>3.33</td>
<td>0.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>2.43</td>
<td>1.27</td>
<td>.857</td>
<td>.493</td>
</tr>
<tr>
<td>Gifts</td>
<td>1</td>
<td>3.55</td>
<td>0.64</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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<td>3.500</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>3.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>4.00</td>
<td>0.82</td>
<td>.739</td>
<td>.568</td>
</tr>
</tbody>
</table>

n=105

Company category on the basis of size of marketing department

Category 1: 0-5; Category 2: 5-15;
Category 3: 15-30; Category 4 >30

5.7 Major Challenges Faced by Marketing Executives

The marketing executives in pharmaceutical firms were asked about the challenges they face in pharmaceutical promotion. Several challenges were mentioned by the respondents (Table 8). The most frequently mentioned challenge was the stiff competition in the industry. This was followed by mention of dearth of inadequate skills of field force, prevalent unethical promotional practices, budget constraints, limits access to end-user (can only reach patients through patient education
programs), limitations with regard to use of more innovative and efficient promotional methods (for example online promotions) because of physician inhibitions about the same. As many of the respondents are functioning at a national level, they have also reported issues related to poor logistics in rural or remote areas.

Table 8: Major challenges faced by marketing executives

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Challenges faced by marketing executives during promotion of products</th>
<th>% of Respondents Mentioning</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Stiff competition (me-too brands, local players, price war, trade schemes)</td>
<td>32.3</td>
</tr>
<tr>
<td>(ii)</td>
<td>Inadequate promotional skills of field force(differential input utilization)</td>
<td>22.4</td>
</tr>
<tr>
<td>(iii)</td>
<td>Prevalent unethical promotional practices</td>
<td>17.1</td>
</tr>
<tr>
<td>(iv)</td>
<td>Budget constraint</td>
<td>9.5</td>
</tr>
<tr>
<td>(v)</td>
<td>Limited access to end user.ie., the patient</td>
<td>7.7</td>
</tr>
<tr>
<td>(vi)</td>
<td>Physicians’ limitations with regard to unconventional promotional tools</td>
<td>7.0</td>
</tr>
<tr>
<td>(vii)</td>
<td>Poor logistics in rural/remote areas</td>
<td>4.0</td>
</tr>
</tbody>
</table>

n=105

5.8 CONCLUSION

For optimum return on their promotional expenditure pharmaceutical firms need to constantly review the promotional mix and ensure that they use the most effective combination of scientific and commercial sources of information as a means of targeting their audience. The percentage of sales method for setting the promotional budget reverses the promotion-leading to-sales-relationship. Firms in the pharmaceutical industry like their counterparts in other industries, would be well advised to use the objective-and-task method for setting the promotional budget. Also, relying more on the absolute size of promotional investment than on the productivity of promotional efforts to generate revenues can result in inefficient utilization of the promotional budget. Firms need to constantly track the effectiveness of the promotional tools being used by them through various methods. All firms participating in the study report using in-person detailing through medical representatives as an important promotional method. Use of online drug detailing and promotion aimed at physicians would be a cost-effective move. Also, firms need to ensure that all statutory guidelines and voluntary codes of conduct are adhered to.

The conclusions in this study regarding the effectiveness of various promotional tools used in the pharmaceutical industry is based on perceptions of marketing executives regarding the same. Further studies could use more objective methods for assessing effectiveness of these tools.

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http://www.ibef.org/industry/pharmaceutical-india.aspx accessed on 16.5.2015


The effect of resistance to change and brand logo co-creation on consumers’ evaluations of redesigned brand logos

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Abstract

Companies often redesign their logos and invest considerable time and money in the process (Pimentel, 1997; Walsh, Winterish and Mittal, 2010). However, consumers do not always welcome these logo redesigns (Zmuda, 2009; Connor, 2010). Research has yet to provide a conclusive understanding of consumers’ response to logo redesigns. This paper is a partial replication of Walsh et al’s (2010) research on the effect of brand commitment on the evaluation of a redesigned logo. We make two contributions to knowledge by incorporating resistance to change and consumer engagement via co-creation into Walsh et al’s (2010) conceptual framework. The research design employed was a quantitative online survey that examined two athletic shoe brands, Nike and Adidas, using a non-probability sample of 212 consumers. The findings showed that engaging consumers in the logo redesign selection process, co-creation, has a positive effect in logo evaluations. Moreover logo evaluations correlated positively with brand attitude providing further support for Walsh et al’s findings. Resistance to change was found to be negatively associated with consumers’ evaluations of a redesigned logo.

Our study has two major limitations, namely the use of convenience sampling and the brand commitment scale achieving a low internal reliability. In spite of the limitations the findings of this research are of great importance to marketing managers. It is proposed that finding ways to somehow engage consumers in the logo redesign process can be a way to ease their adoption. Furthermore, profiling customers on their resistance to change can enable marketing managers to identify segments who are most likely to view a logo change negatively.

Keywords: Consumer behaviour; branding; brand logo; brand attitude; brand commitment; co-creation; resistance to change

1. INTRODUCTION

While logo redesigns are a commonplace in practically every industry, consumers do not always welcome them (Dubberly, 1995; Zmuda, 2009; Connor, 2010). However, academic literature has yet to provide a conclusive understanding of consumers’ response to logo redesigns. Most studies have focused on identifying which design characteristics yield the most positive response. Walsh, Winterish and Mittal (2010), however, explored the role of brand commitment in consumers’ response to logo redesigns. Our research builds on this work and incorporates the theory of resistance to change as an added factor that can influence consumer response. Most importantly the value of our research extends to the fact that it seeks to establish techniques that could assist the adoption of logo redesigns. Based on the theory of co-creation we also explore the effect of engaging consumers in the logo redesign selection process.

2. RESEARCH CONTEXT

Walsh et al (2010) state that annually one in every 50 companies will redesign its logo for a number of different reasons. This might be down to mergers and acquisitions, the entrance into global markets, the launch of brand extensions or the need to change/update the image of a brand (Henderson and Cote, 1998; PittardEwing and Jevons, 2007; Lans, Cote, Cole, Leong, Smidts, Henderson, Bluemelhuber, Bottomley, Doyle, Fedorikhin, Moorthy, Ramaseshan and Schmitt, 2009). Logo
redesign is extremely expensive. For example, BP’s logo redesign in 2000 is estimated to have cost £136 million (Davies and Paterson, 2000). However, despite the time and money that companies are willing to spend in redesigning their logo, the results are not always positive. BP’s ‘environmentally friendly’ logo redesign infuriated consumers who saw petrol prices rising while the company was spending £136m (Davies and Paterson, 2000). In addition consumers’ negative response is sometimes based on their personal evaluation of how the redesigned logo looks. In some cases (Gap, Tropicana) unhappy consumers have forced brands to withdraw the redesigned logo and retain the original one (Baker, 2010). Connor (2010) identifies lessons to be learned from such failure. He states that engaging consumers in the logo redesign process would increase the chances of success since they are less likely to criticize something they were a part of. In summary, there is a need to achieve a better understanding of consumers’ responses to logo redesigns in order to find ways of easing their adoption of new logos. This need is particularly pressing as logo redesigns are such a common occurrence and such a major financial investment, and the potential for damage to an organisation’s reputation and image is so high.

Melewar, Bassett and Simoes (2006) state that corporate visual identity (CVI) has gained considerable attention and is considered to be a key component of organisations’ marketing and communications strategies. Hynes (2009) states that a company’s logo is the core of its CVI. Logos play a critical role as a brand recognition aid because they speed up the consumer’s selection process (Berry, 1989; Morrow, 1992). Visuals are a more pleasant and effortless way for people to process information compared to text, therefore the human brain pays more attention to visual stimuli and also processes them faster than text (Edell and Staelin, 1983). As a consequence, logos become important tools because organisations’ communications are often seen only for a short time (Henderson and Cote, 1998).

Ahluwalia, Burnkrant and Unnava (2000) examined the effect of brand commitment on change in brand attitude arising from negative publicity about a brand. Using Nike as the focal brand and fictional press articles which cast Nike in a negative light, they found that as brand commitment increased, so did consumers’ tendency to resist, and argue against, the negative information which challenged their prior brand attitude. Walsh et al (2010) also examined the role of brand commitment, but their research analysed this construct in the context of logo redesign. Using fictional redesigned logos for two real athletic shoe brands, they found that brand commitment was negatively correlated with attitude to the redesigned logo; the stronger the level of brand commitment, the more negatively the redesigned logo was evaluated.

Despite the contribution made by Walsh et al (2010) to our understanding of how consumers evaluate redesigned logos, knowledge gaps remain. It seems likely, for example, that the consumer’s level of change resistance in general will have an effect on their evaluation of a redesigned logo. In addition, it is possible that involving consumers in the process of logo redesign in some way may cause them to feel more positive to the redesigned logo. We now examine these ideas in more detail.

3. CONCEPTUAL FRAMEWORK

Resistance to Change

Research on consumers’ responses to new things has been dominated by studies of the drivers of and barriers to new product adoption (e.g. Rogers, 1976; Ram and Sheth, 1989; Bagozzi and Lee, 1999; Heiskanen, Hyvonen, Niva, Pantzar, Timonen and Varjonen, 2007). Much of this work has focused on identifying the characteristics of new products which affect the rate of adoption, and is therefore not directly applicable to developing an understanding of consumers’ acceptance of new, i.e. redesigned, logos. In addition, according to Sheth (1981) the majority of consumers do not yearn for change; he argued that it would be more fruitful to focus on understanding what drives resistance to change instead of adoption. A number of studies have examined the personality traits that are associated with an individual’s ability to cope with change (Mumford, Baughman, Threfall and Uhlman, 1993; Judge, Thoresen, Pucik and Welbourne, 1999; Wanberg and Banas, 2000). Oreg (2003) identified six personality traits that affect resistance to change: (a) reluctance to lose control, (b) cognitive rigidity, (c) lack of psychological resilience, (d) intolerance of the adjustment period associated with change, (e) preference for low levels of stimulation and novelty, and (f) reluctance to give up old habits, and developed a four-item scale as shown in Table 1.
Table 1 – Resistance to Change Scale

<table>
<thead>
<tr>
<th>FACTORS</th>
<th>PERSONALITY TRAIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Routine Seeking</td>
<td>‘Preference for low levels of stimulation and novelty’ and ‘Reluctance to give up</td>
</tr>
<tr>
<td></td>
<td>old habits’.</td>
</tr>
<tr>
<td>Emotional Reaction</td>
<td>‘Reluctance to lose control’ and ‘Psychological resilience’.</td>
</tr>
<tr>
<td>Short-Term Focus</td>
<td>‘Intolerance to the adjustment period involved in change’ and ‘Reluctance to lose</td>
</tr>
<tr>
<td></td>
<td>control’.</td>
</tr>
<tr>
<td>Cognitive Rigidity</td>
<td>‘Cognitive Rigidity’</td>
</tr>
</tbody>
</table>


The value of Oreg’s(2003) scale is its diverse application because unlike the majority of studies that focused on new product adoption or organisational change, this scale was not designed to conform to a specific type of change but can be used in a variety of contexts. The scale’s validity has been tested in different contexts such as organisational change, academic schedule changes and users’ acceptance of digital libraries (Oreg, 2003; Nov and Ye, 2008). However, the resistance to change construct has not been used in the context of logo redesign and it is this gap which our study seeks to fill.

**Engaging Consumers through Co-creation**

In recent years there has been a power switch from companies to retailers and now to consumers (Petty, 2008). Consumers determine the success or failure of brands and expect that companies recognise and respect their power (Petty, 2008; Lawer and Know (2006); Volckner and Sattler, 2006; Thomson, 2004). They are no longer passive receivers but instead active and creative receivers who interpret messages as they wish (Christensen, Firat and Cornelissen, 2009). Consequently researchers now argue that traditional marketing principles and strategies need to be revisited (Payne, Storbacka, Frow and Knox, 2009). Prahalad and Ramaswamy (2004) state that the traditional roles of companies (production) and consumers (consumption) are no longer distinct. Consumers “engage in dialogue and interaction with their suppliers during product design, production, delivery and consumption” (Payne et al., 2009, p.380). The literature refers to these activities as ‘co-creation’ (Wikstrom, 1996; Vargo and Lusch, 2004; Prahalad and Ramaswamy, 2004; Prahalad, 2004). Co-creation has been examined in the context of branding; for example, consumers are believed to have co-created the Tommy Hilfiger brand when a different target audience than the one intended by the company adopted the brand and altered its meaning (Christensen, Firat and Cornelissen, 2009). We propose, therefore, to examine whether co-creation has an effect on how consumers evaluate a redesigned logo.

Our conceptual framework, Figure 1, builds on that of Walsh et al (2010). Our contributions are in the incorporation into this framework of resistance to change and brand logo co-creation. We operationalise resistance to change using Oreg’s (2003) scale. Brand logo co-creation is operationalised by offering consumers a range of redesigned logos to choose from.
Figure 1 – Conceptual Framework

- Consumer Engagement
- Brand Commitment
- Resistance to Change
- Logo Evaluation
- Brand Attitude

H1, H2, H3, H4
4. HYPOTHESES

**H1:** The mean evaluation of logo redesigns when consumers have the option to choose among different alternatives will be significantly more positive compared to the mean evaluation of logo redesigns when consumers do not have the option to choose among different alternatives.

**H2:** There is a significant relationship between brand commitment and logo evaluation.

**H3:** There is a significant relationship between resistance to change and logo evaluation.

**H4:** There is a significantly positive relationship between logo evaluation and brand attitude.

5. METHODOLOGY

Respondents were selected using a non-probability sampling procedure. An online survey was administered by sending respondents an email explaining the purpose of the research and providing the link to the website where the online survey was hosted (http://logoresearch.no-ip.org). In order to increase the response rate an incentive of entering a draw for a chance to win a £60 ASOS voucher was given. A follow up email was sent three weeks later to those who did not respond initially. 810 consumers were contacted and the response rate was 26%.

The brands chosen for the study were Adidas and Nike. Five different logo redesigns were created for each brand. Pilot testing with 10 respondents confirmed that the degree of change suggested by each logo redesign was that intended by the researcher. The brand and logos were presented to respondents in a random order to minimize the effect of the logo’s position on the screen on respondents’ attitude and choice. In order to examine the effect of co-creation, respondents were either given one redesigned logo (no choice) to evaluate or a choice of alternative logos. Respondents were asked to evaluate the new logo in comparison with the existing logo. The scales used for each measure in our conceptual framework are set out in Table 2. The analytical techniques used to test each hypothesis are presented in Table 3.

Table 2 – List of Scales Used

<table>
<thead>
<tr>
<th>Measure</th>
<th>Developed by</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Commitment</td>
<td>Beatty et al (1988)</td>
<td>Three-item Likert scale measured on a nine-point scale (Appendix 1).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The internal reliability of this scale in Walsh et al’s (2010) study was very good (Cronbach alpha coefficient 0.88). In this dissertation the Cronbach alpha coefficient was 0.586. The low reliability of this scale (&lt;0.6) was marginally accepted but was considered to be a big limitation.</td>
</tr>
<tr>
<td>Brand Attitude</td>
<td>Ahluwalia et al (2000)</td>
<td>Four-item semantic differential scale measured on a seven-point scale (Appendix 1).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The internal reliability of this scale in Walsh et al’s (2010) study was very good for both pre and post exposure with Cronbach alpha coefficients 0.93 and 0.96 respectively. In this dissertation similar values were achieved (0.92 and 0.93 respectively).</td>
</tr>
<tr>
<td>Logo Evaluation</td>
<td>Henderson and Cote (1998)</td>
<td>Five-item semantic differential scale measured on a seven-point scale (Appendix 1).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The internal reliability of this scale in Walsh et al’s (2010) study was very good (Cronbach alpha coefficient 0.95). In this dissertation the Cronbach alpha coefficient was 0.92.</td>
</tr>
</tbody>
</table>

Source: Adapted from Walsh et al (2010)
Table 3 – Analytical Techniques

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Analytical Technique</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>T-Test Paired Samples</td>
</tr>
<tr>
<td>H2</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td>H3</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td>H4</td>
<td>Partial Correlation</td>
</tr>
</tbody>
</table>

6. FINDINGS

While the redesigned logos were consistently evaluated more poorly than the existing logo (No choice mean = 2.85, Choice mean = 3.51, t=0.000), H1 was supported concluding that engaging consumers in the logo redesign selection process results in more positive evaluations. While no previous research has tested consumer engagement in logo redesigns, the theory of co-creation has been researched in a variety of other contexts such as product design with the example of Nike ID (Ramaswamy, 2008). Ramaswamy (2008) argues that when consumers participate or somehow influence the design process of a product then the risk of dissatisfaction is reduced. Our findings support this argument because even though engaging consumers did not result in a positive evaluation, dissatisfaction was reduced making a statistically significant positive difference. Therefore our research suggests that consumer engagement can significantly enhance consumer adoption of logo redesigns.

H2 was supported, reporting a negative correlation ($r=-0.352, \alpha=0.05$) between brand commitment and logo evaluation. This is in line with Walsh et al’s (2010) results that found stronger brand commitment to be related to low logo evaluations and vice versa. Conversely to Walsh et al’s (2010) this dissertation found a weak relationship between the two variables ($r<0.5$). Therefore the practical application of these results is limited. However it is important to note that we found low internal reliability of the brand commitment scale and this could be distorting our results.

H3 was supported, reporting a negative correlation ($r=-0.6, \alpha=0.05$). The more resistant to change the consumer, the more poorly they evaluated the redesigned logo.

H4 was supported ($r=0.5, \alpha=0.05$) and our results were in line with Walsh et al’s (2010) findings. Specifically there was a strong, positive relationship between post-redesigned logo exposure brand attitude and logo evaluation. Moreover testing and supporting this hypothesis within a different sample than the one used in Walsh et al’s (2010) study provides further credibility of this finding.

7. CONCLUSIONS

We have established that engaging consumers in the logo redesign selection process has a positive effect on logo evaluations. In addition the degree of change in brand commitment was negatively correlated with logo evaluations and therefore supported Walsh et al’s (2010) findings. Moreover logo evaluations correlated positively with brand attitude providing further support for Walsh et al’s findings. Another important contribution was expanding the understanding of consumers’ response to logo redesigns through incorporating an additional variable – ‘Resistance To Change’ which was found to be negatively associated with logo evaluation. The overarching aim of this research was to achieve a better understanding of consumer response to logo redesigns in an attempt to find ways that can ease the adoption of logo redesigns. Therefore the findings of this study are of great importance to marketing managers. It is proposed that finding ways to somehow engage consumers in the logo redesign process can be a way to ease the adoption of logo redesigns. Moreover marketing managers can focus their efforts on strongly committed consumers because these consumers are not only their most important ones but also the ones that are more likely to resist a logo redesign.

The biggest limitation of this study was the use of convenience sampling. Therefore the findings suffer from systematic bias since the sample used is not representative of the entire population. This limits the ability to make inferences about the entire population resulting in this dissertation having low external validity. In addition the brand commitment scale had a low internal reliability, which was only marginally accepted due to its proximity to the recommended benchmark (0.6).
However it is still not considered reliable and the findings related to brand commitment suffer from inadequate statistical rigor.

Future research could provide a larger number of choices in order to test whether this could achieve a positive evaluation. In addition consumer engagement in logo redesigns could be researched using alternative techniques aside from offering choice. Future research could also profile consumers scoring high/low on the resistance to change scale using demographic and psychographic characteristics in order to assist marketing managers to predict their target audience’s response to logo redesigns. Lastly both this study and that of Walsh et al (2010) study were done using athletic shoe brands. Therefore future research could focus on other product categories.

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An empirical study of consumer response to corporate charitable activities in China

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Abstract

Objectives – The aim of this paper is to extend theories related to consumer response to CSR activities, complementing current research by looking at corporate charitable activities from a consumer perspective. More specifically, our objective is to identify the factors affecting consumers’ perception of corporate charitable activities.

Method – Chinese consumers (n = 201) were invited to fill out a questionnaire in Guangzhou. Structure equation modeling was used to test hypotheses about how consumers' perceptions of CSR activities affect their attitude towards companies.

Findings – The results show that even when confronted with several charitable activities carried out by one corporation, consumers attribute the activities to different motivations, and thus react differently due to differences in consumer perception factors such as perceived information source, fit, and involvement. With an objective information source and a stronger perception of fit, consumers have positive responses because they attribute corporate charitable activities to altruistic motivation. A higher level of consumer involvement also evokes positive consumer response.

Conclusions – This research studies the consumer response mechanism to corporate charitable activities. All but one of the hypotheses put forward are effectively confirmed, suggesting that information source, involvement, and perceived fit have an impact on consumer response to corporate charitable activities.

Recommendations – The sample corporation in this research belongs to the fast consumables industry, the broader range of corporate types hasn’t yet to receive investigation in this area. Due to differences in consumer behavior in different industries, it will be useful for future research to analyze corporations from other industries.

Keywords Corporate Social Responsibility, Corporate Charitable Activities, Consumer Perception, Consumer Response, Motivation

1. INTRODUCTION

According to Research Report on Corporate Social Responsibility of China, increasingly more corporations have been engaged in charitable activities when they do their CSR (Chen, et al., 2010). As key stakeholders of corporations, consumers no longer limit their attention toward CSR to self-interest, but rather extend their vision to broader social interests (Kotler & Lee, 2008). The literature shows that there is a connection between CSR activities and positive attitudes, perceptions, and behaviours of the firm’s consumers (Brown & Dacin, 1997; Cryer & Ross, 1997; Ellen, Mohr & Webb, 2000; Walsh & Bartikowski, 2013). Actually, consumers play a crucial role in the process of turning CSR into financial performance.
(Mitchell et al., 1997; Schuler & Cording, 2006). When CSR activities begin to help develop a positive buying inclination, consumer evaluation, and loyalty in the consumer base, the financial investment in CSR activities will not be solely expenses for the corporations, but they will also become strategic investments for obtaining competitive advantages (Cheung et al., 2010).

Thus, we should move our research from “whether” corporations do well by doing good, to “how” they do so (Carroll & Shabana, 2010; Wood, 2010). The aim of this paper is to extend theories regarding consumer response to CSR activities, complementing current research by looking at corporate charitable activities from a consumer perspective. More specifically, our objective is to identify the factors affecting consumers’ perception of corporate charitable activities, and to do so through an analysis of the impact of corporate charitable activities on consumer response.

2. THEORETICAL BACKGROUND

2.1 CSR and CSR Activities

Carroll (1999) points out that social response can be divided into four levels of responsibility: economic, legal, ethical, and philanthropic. In China, philanthropic responsibility is the area of CSR on which corporations spend considerably, and to which consumers give most attention. According to an analysis-by-synthesis of the Research Report on CSR of China (Chen et al., 2010), corporate charitable activities is regarded as an important part in CSR. This paper presents an empirical study of consumer response to corporate charitable activities, which has importance in helping corporations to effectively conduct charitable activities that result in positive response from consumers.

2.2 Consumer Response to Corporate Charitable Activities

Ellen, Webb, and Mohr (2006) found that most consumers have complex attribution of company’s motivations on CSR. These motivations can be categorized into four types: self-centered motivations that are strategic or egoistic and other-centered motivations that are value-driven or stakeholder-driven. When consumers judge the corporate motivation to be value-driven or strategic, they will respond positively to the corporation’s charitable activities, yet they will respond negatively if they perceive the corporate charitable activities to be stakeholder-driven or egoistic. Once consumers are exposed to a number of similar charitable activities given by multiple firms, their reactions to and evaluations of the corporations tend to be negative (Jin & Drozdenko, 2010). We put forward the following hypothesis:

$$H1: \text{The higher the consumers’ attribution of corporations’ motivations to social benefit when conducting charitable activities is, the more positive attitudes the consumers have toward to company.}$$

2.3 Consumers’ Perceptions of CSR Activities

2.3.1 Consumer perception of the information source

One of the key challenges of CSR communication is to minimize customer skepticism (Du, Bhattacharya, & Sen, 2010). Objectified/disobjectified information sources differed on the basis of whether the information reflected by its source would be influenced by the subjective will of the organization behind the information source. For information on corporate charitable activities posted by the corporation itself, consumers tend to believe that the corporation is advertising itself, thus perceiving the motivation to be corporate interests. In contrast, when information posted by third-party sources with high credibility, consumers believe in the goodness of the corporations due to third-party has more objectivity than company. Thus, consumers tend to generate positive evaluations of corporate charitable activities when the information is posted by a third-party source rather than the corporations themselves (Luo & Bhattacharya, 2006). Consequently, we put forward the following hypotheses:

$$H2: \text{The more objective that consumers perceive the information source of the corporate charitable activities to be, the greater will be consumers’ perceptions that corporate charitable activities are motivated by social benefit.}$$
**H3:** The more objective the consumers perceive the information source of the corporate charitable activities to be, the more positive evaluations of the corporations are.

### 2.3.2 Consumer perception of involvement

Zaichkowsky (1985) defines consumer perceptions of involvement as a person's perceived relevance of the object based on inherent needs, values, and interests. The result of involvement is the goodness of fit between possessed information and consumer psychology. Drumwright (1996) points out that if corporations expect to receive benefits from consumers through conducting CSR activities, those CSR activities should maintain a high degree of unity with the target group of their marketing plan. Haley (1996), also, points out that to achieve positive consumer response to corporate charitable activities, corporations should choose activities according to consumers’ characteristics. According to research by Creyer and Ross (1997), consumers pay attention to the relationship between their perception of CSR and themselves. Thus, we put forward the following hypotheses:

**H4:** The higher the consumers’ involvement in corporate charitable activities is, the higher will be consumers’ perception that corporate motivation for charitable activities is driven by social benefit.

**H5:** The greater the consumers’ involvement in corporate charitable activities is, the more positive will be their evaluations of the corporations.

### 2.3.3 Consumers’ perception of fit

Varadarajan and Menon (1988) refer to consumers’ perceptions of fit as the consumers’ perceptions of the connection between corporate charitable activities and factors such as product, brand image, positioning, and market served. Pracejus and Olsen (2004) determined that the fit between corporations and public interests could increase the benefits of cause-related marketing activities. Thus, the fit between corporations and CSR activities would positively affect consumers’ attitude and buying inclination from the perspective of choice behavior. (Simmons & Becker-Olsen, 2006). Once consumers perceive that corporations have undertaken social responsibility with a high level of fit, they have less doubt about those corporations’ products. Strong fit of CSR will help consumers to form positive evaluations of the corporations (Bigné-Alcñiza, Ruiz-Maféa, & Sanz-Blasa, 2012). Thus, we put forward the following hypotheses:

**H6:** The greater the consumers’ perceptions are of fit between corporate charitable activities and the firm’s products, brand image, positioning, and market served, the higher are consumers’ perceptions that corporate charitable activities are motivated by social benefit.

**H7:** A high fit between consumers’ perceptions and corporate charitable activities will lead to an improvement of consumers’ holistic estimation.

### 3. RESEARCH DESIGN

We selected eight corporations (brands) with confirmed popularity in China as options. To accurately minimize any system error caused by the differences in consumers’ familiarity with and predisposition toward different corporations, we did a pretest to understand customers’ comprehension and predisposition toward these eight companies. According to the results, the Wong Lo Kat participants’ degree of difference between cognition and fondness is the least. Thus, Wong Lo Kat (a subsidiary of the JDB Group) is established as the object of this empirical research.

MBA students from Sun Yat-sen University were chosen as respondents, because they are prototypical consumers who manifest more knowledge of social responsibility, and strong consuming capacity. The data is collected through questionnaires and interviews. In total, 240 questionnaires were delivered, 215 were completed and returned. Of these, 14 were incomplete, so the final group included 201 valid questionnaires. The collection rate was 80.20%, and the effective response rate was 86.53%.
4. DATA ANALYSIS

SPSS16.0 is used to test the reliability of the measuring tools, and the analysis result is shown in Table 1. The discrimination and cohesion validity of each construct were examined using AMOS7.0.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Involveme nt</th>
<th>Fit</th>
<th>Motivati on</th>
<th>Attitude</th>
<th>Information Source</th>
<th>Whole Reliability</th>
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<tbody>
<tr>
<td>Cronbach's Alpha</td>
<td>.761</td>
<td>.839</td>
<td>.861</td>
<td>.900</td>
<td>.832</td>
<td>.889</td>
</tr>
</tbody>
</table>

The measurement scales are from self-conducted research confirmed by relevant scholarship, which leads to a satisfactory content validity. In addition, the discriminatory validity is judged by comparing AVE and the correlation coefficient matrix of latent variables. AVE is higher than 0.5, and it exceeds the square value of the correlation coefficient matrix (See Table 2). Besides, in Table 2, we can see that the consumer perception variables of corporate charitable activities, and the consumers’ evaluation of the corporation and its motivation, are correlated significantly at 0.01.

We set up the structural equation model M₀ and combine it with the data using AMOS7.0. According to the analysis results, $X^2/df=3.11>3$, CFI=0.891<0.90, RMSEA=0.099>0.08, GFI=0.862, and NFI=0.846. This indicates that the degree of fit between the structural equation model and data is not significant. However, according to the modified index generated by AMOS7.0, if some items’ relationship is modified and errors exist in some questions are allowed, the fitting degree of the model can be improved significantly.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Average</th>
<th>Standard Deviation</th>
<th>Information Source</th>
<th>Involveme nt</th>
<th>Fit</th>
<th>Motivation</th>
<th>Attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Source</td>
<td>4.8109</td>
<td>1.48040</td>
<td>0.867</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Involvement</td>
<td>3.9584</td>
<td>1.27777</td>
<td>.152*</td>
<td>0.718</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fit</td>
<td>4.6716</td>
<td>1.20990</td>
<td>.401**</td>
<td>.358**</td>
<td>0.795</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motivation</td>
<td>4.2898</td>
<td>1.14795</td>
<td>.152*</td>
<td>.298**</td>
<td>.565**</td>
<td>0.810</td>
<td></td>
</tr>
<tr>
<td>Attitude</td>
<td>4.7463</td>
<td>1.27683</td>
<td>.417**</td>
<td>.438**</td>
<td>.721**</td>
<td>.647**</td>
<td>0.815</td>
</tr>
<tr>
<td>AVE</td>
<td></td>
<td></td>
<td>.751</td>
<td>.516</td>
<td>.632</td>
<td>.656</td>
<td>0.664</td>
</tr>
</tbody>
</table>

Note: *means significant at 0.05, **means significant at 0.01.

According to the modified index scale of the structural equation model $M_0$, it is allowable that Questions 15 and 16, 11 and 12, 11 and 9 are associated with error respectively. Thus, the answer of $X^2$ can be reduced with the losses of 43.414, 31.969, and 17.343, respectively, which can improve the fitting degree to a great extent. Thus, $M_3$ is created (See Table 3).
Table 3: Comparison of the Fit Index of the Models Before and After Modification

<table>
<thead>
<tr>
<th>Model</th>
<th>χ²</th>
<th>df</th>
<th>RMSEA</th>
<th>NFI</th>
<th>GFI</th>
<th>CFI</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>( M_0 )</td>
<td>276.9***</td>
<td>94</td>
<td>.099</td>
<td>.846</td>
<td>.862</td>
<td>.891</td>
<td>The original model</td>
</tr>
<tr>
<td>( M_1 )</td>
<td>230.0***</td>
<td>93</td>
<td>.086</td>
<td>.872</td>
<td>.884</td>
<td>.918</td>
<td>The correlated error between Questions 15 and 16 is added.</td>
</tr>
<tr>
<td>( M_2 )</td>
<td>195.3***</td>
<td>92</td>
<td>.075</td>
<td>.891</td>
<td>.896</td>
<td>.938</td>
<td>The correlated error between Questions 11 and 12 is added.</td>
</tr>
<tr>
<td>( M_3 )</td>
<td>177.3***</td>
<td>91</td>
<td>.069</td>
<td>.904</td>
<td>.904</td>
<td>.949</td>
<td>The correlated error between Questions 11 and 9 is added.</td>
</tr>
</tbody>
</table>

The coefficient estimate of path algorithm shown in Figure 1 indicates that nearly all the hypotheses put forward in this research have been supported.

\( H_1 \) is supported. (The standardized path coefficient=0.331, CR=2.88, p<0.01.) Once consumers regard the corporation’s motivation when conducting charitable activities as serving the society and improving public welfare, they are more likely to form positive evaluations of the corporation, the brand, and its products.

\( H_2 \) and \( H_3 \) both are supported. (\( H_2 \)'s standardized path coefficient=0.187, CR=2.154, p<0.05; \( H_3 \)'s standardized path coefficient=0.142, CR=2.271, p<0.05.)

The hypothesis testing for \( H_4 \) is not significant. (The standardized path coefficient=0.024, CR=0.233, p>0.05.) The higher the consumers’ level of involvement in corporate charitable activities is, the higher their positive evaluations on the corporations are. (The standardized loading=0.271, CR=3.624, p<0.001.) Thus, \( H_5 \) is supported.

\( H_6 \) and \( H_7 \) are both confirmed. (\( H_6 \)'s standardized loading=0.872, CR=4.747, p<0.001; \( H_7 \)'s standardized loading =0.396, CR=2.692, p<0.05). It indicates that conducting corporate charitable activities can improve consumers’ evaluation of the corporation and increase their buying inclination toward the products/services of the corporation.

Figure 1: The Standardized Estimate of Structure Model M3
5. CONCLUSION AND DISCUSSION
The results of this research indicate that consumers’ attribution of corporations’ motivation when conducting charitable activities has a strong impact on consumer attitude. The higher consumers’ perceptions of corporations’ motivation driven by social benefit are, the higher their positive evaluations of the corporations are. Consumers’ attribution of corporations’ motivations is affected by information source, involvement, and perceived fit. Moreover, these factors directly affect consumer attitude toward corporations. The fit of consumers’ perception of corporate charitable activities has a significantly positive impact on consumer attitude toward the corporation. Compared with subjective information source, consumers believe that the information obtained from the third party is less affected by corporate subjective wills. Thus, consumers will generate a positive evaluation of that company. However, the impact of consumer involvement on their attribution is not significant. The research also finds that both the nature of the information source and involvement are significantly correlated with consumer perceived fit with corporate charitable activities.

This research provides insight into corporate charitable activities and cause-related marketing, with practical application in the field: First, it is important to implement marketing strategies based on consumers’ altruistic attribution, and thereby to win consumers’ trust. Second, it is vital to select the correct methods for implementing programs of social responsibility. Third, it is important to inform consumers of corporate social activities, as well as to choose the right means and channels for communicating CSR information to consumers. Fourth, companies must encourage consumers to participate in corporate charitable activities, and to continue to improve consumer involvement in the activities.

This research takes charitable activities conducted by Wong Lo Kat as a sample subject, which is effective but presents limitations. Specifically, only a partial segment of CSR fields is researched. Future studies based on other CSR fields will test the universality of the model.

Acknowledgement

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References


Designing patient-focussed services: a construct of healthcare service quality

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HEALTHCARE SERVICES
Healthcare is a major influencer in modern society contributing not only to quality of life but also to the growth of economies and thus an important service sector. Recent years have seen extensive debate over the quality of non-clinical elements of health care. Unfortunately, care often falls short of what it should (Francis, 2013; Keogh, 2013). Patients are clients who are often at their most vulnerable, and dimensions such as the environment, communications, reliability, and access have all been shown to contribute to making patients feel more at ease during this time. Hospital audits have criticised all of these elements of service. This study conceptualises the nature of service quality in the health care sector. Based in the UK National Health Service dominated healthcare sector, the overall aim of the paper is to develop a construct of service quality in healthcare. The objectives are:

- to understand the basis of positive and negative healthcare experience
- to understand the meaning of quality to healthcare users and managers
- to propose a construct of service quality relevant to healthcare services

CONTEXT
UK health care has for several years experienced rapid changes. The UK National Health Service (NHS) is one of the largest employers in the world employing 1.3 million people. Figures show that more than 1 million people access NHS services every 36 hours (NHS Choices, 2012). As choice has become a key part of the Government agenda, service providers are facing up to the reality of competition. In 2012 more than 200,000 patients were opting to access services provided by the independent sector on behalf of the NHS, with significant numbers exercising their right to choice of NHS providers (Department of Health, 2012). The Health and Social Care Act 2012 has reinforced this shift in direction, requiring NHS trusts to respond to the concept of competition. While there remains an emphasis on outcomes, the Act has pushed service quality to the fore regarding contracts including a requirement that the construct and its evaluation are key priorities. Furthermore, at wider, international level a need exists for improvement in service quality. “Even where health systems are well developed and resourced, there is clear evidence that quality remains a serious concern” (Bengoa and Kawar, 2006, p. 3). In the UK, the Francis Inquiry highlighted extremes of poor service and the serious consequences that can occur. This was not restricted to isolated trusts (Francis, 2013).

LITERATURE
Problematic to endeavours to measure service quality is the difficulty in defining the term. Attempts to define service quality have included: ‘the degree to which customers’ specifications are satisfied’, ‘a fair exchange of price and value’, ‘fitness for use’, and ‘doing it right the first time’ (Pitt and Jeantrot, 1994, p. 170); and, in reference to public services, ‘meeting the requirements and expectations of service users and other stakeholders while keeping costs to a minimum’ (Moulin, 2002, p. 15). Service organisations depend on the integrity and competence of their employees in delivering high levels of service quality, and the co-operation between the firm and its staff remains one of the main antecedents of the service performance gap (Chenet et al., 2000).

Dimensionality: The evaluation of extant quality literature underpins the work of this study to identify dimensions for use in the evaluation of quality in health care. Theorists have devised numerous variations of these core dimensions and, while similarities do exist, there is no overall consensus, or about whether they can be generalised across sectors (Brady and Cronin, 2001). Previous research suggests a basic hierarchy of constructs (Figure 1), and though these may vary according to context, they are firmly grounded in relationships. Literature endorses the view that, while the use of performance measurement tools such as dashboards, balanced scorecards, lean, etc. has a place in ensuring quality, these alone are insufficient in the context of services where human elements play a pivotal role. Their importance, especially in professional and high-contact services, is clear (Lehtinen, 1991; Sureshchandar et al., 2002) since interactions help build professional relationships ultimately leading to trust. This has been conceptualised as co-creation where the service user is fundamental to the delivery (Vargo and Lusch, 2004). From the literature, two key assumptions can be made in relation to
dimensionality, firstly that dimensions must be relevant to the service user and second that emphasis must be placed on the human elements of (especially) professional services.

Attitude: Attitudes are opinions or predispositions about something or someone from information we have acquired (Fishbein and Ajzen, 1975). It is a learnt and constant phenomenon which evaluates a service over a period of time and is experienced at multiple levels; core service, human elements of service, non-human elements (processes), the tangibles of the service or servicescape and social responsibility (Sureshchandar et al., 2002). It results in favourable or unfavourable responses, beliefs or feelings about something (Randhani et al., 2012; Lee et al., 2007). Since one of the features of services (particularly the case in health care) is heterogeneity, implying individuality and flexibility, it is suggested that the use of a generic instrument to measure such a complex concept is inappropriate.

Expectations: There is general acceptance among commentators that expectations are major influencers in the evaluation of customer satisfaction, although some question their effectiveness. Expectations are the beliefs an individual has about a product or service pre-purchase (Higgs et al., 2005; Oliver, 1980), or as preferences or desires and beliefs/predictions (Poister and Thomas, 2011). The notion is very much based on gap models (Swartz and Brown, 1989; Parasuraman et al., 1985), where satisfaction results from how closely products or service processes and outcomes match expectations (Ojasalo, 2001). While the concept of expectations may seem straightforward, it can be misinterpreted and is further complicated by the characteristics which surround it, specifically: the standards on which expectations are based; when expectations are formed and expectations of consumer compared to those of provider. Often customers do not have a clear picture of what they expect, particularly in the case of professional services. They lack understanding of their problem (Ojasalo, 2001), or may have no expectations at all (Spreng and Olshavsky, 1993). This means that they are unable to accurately convey what they want and create a situation where these ‘fuzzy’ expectations are difficult to meet (Ojasalo, 2001). They can, however, be made clearer through the provider and consumer working together to understand the problem and focusing on the solution (Ojasalo, 2001).

METHOD
The research method comprised three stages (Table 1):

Phase 1 Critical Incident Interviews. Participants were asked to reflect on their own experiences of health care episodes or the experiences of family (Cohen and Mallon, 2001). The 18 interviews which were sensitive were held informally in participants’ homes. After transcription, coding was undertaken against a priori codes from previous models and open coding.

Phase 2 Focus Groups and Interviews. This comprised interviews with health care staff and external agencies, along with eight focus groups of members of the public. The aim was to gain an understanding of what quality in health care means to different stakeholders. This phase explored the construct of service quality in detail (Rowley, 2005; Cohen and Mallon, 2001). The focus groups included: the elderly, young mothers, people with complex needs, a GP patient user group and the general public. Participants were asked what could make them feel more at ease and comfortable with their experience. Interviews were held with board members, clinicians and senior management at NHS regional level, the Care Quality Commission and a local MP. Service providers were asked what they believed was important to patients and their family/carers. Representatives of external stakeholders were asked about their general perception of service quality. The interviews and group discussions were digitally recorded and participants were invited to review the transcripts to check for accuracy. Data were both coded against previous constructs and also open-coded. The purpose of this double coding was to strengthen reliability and validity of interpretations.
Phase 3 Survey. The questionnaire was based on phases 1 and 2, and was distributed to a sampling frame of over-18 year-olds, resulting in a valid sample of 603 returns. The data were subject to exploratory factor analysis to identify the underlying dimensionality of quality in healthcare.

Table 1 Research method

<table>
<thead>
<tr>
<th>PHASE</th>
<th>METHOD</th>
<th>INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Interviews with patients, carers or family members</td>
<td>Identification of positive and negative elements of healthcare experience</td>
</tr>
<tr>
<td>2</td>
<td>Qualitative research – staff interviews and focus groups with members of the public/patient groups, thematic analysis</td>
<td>Identification of issues important to service users, external agencies and managers</td>
</tr>
<tr>
<td>3</td>
<td>Quantitative research – questionnaire, factor analysis</td>
<td>Confirmation service quality dimensions</td>
</tr>
</tbody>
</table>

RESULTS

Positive and negative healthcare experience. Positive experiences were encountered around tangibles, reliability, while negative experiences concerned communications and attitude and, paradoxically, reliability.

Communication: The findings deconstructed communications into 4 elements:
- Staff and patient/carer
- Department and department
- Colleague and colleague
- Organisation and organisation

The results suggested that communication comprises a number of elements:
- Listening to the patient/carer
- Lack of information
- Use of plain English
- Understanding the patient
- Contradictory messages
- Accents
- Incorrect information
- Communications breakdown

There were 129 instances in which communications were seen to have failed.

Reliability: 129 negative instances were reported regarding reliability; these included issues such as staff not carrying out activities when they say they will and appointments running late with no explanations given. Conversely, there were 57 positive experiences.

Interaction: According to the literature, respect and empathy are antecedents to trust which is intrinsic to health care. The attitude of one person to another often reflects levels of respect between the two parties. While attitude featured in open coding with 95 negative incidents, 82 positive events were also recorded. It was not possible to map this dimension onto the SERVQUAL model since its dimensions do not explicitly cover interaction; rather it is implicit in credibility and courtesy. Empathy, however, included in SERVQUAL was clearly important; there were 170 occasions when this dimension was considered to be lacking, compared to just 65 experiences of merit.

Tangibles: The definition of tangibles included the physical environment, equipment, appearance of staff, cleanliness, noise, light and food. Cleanliness featured across two dimensions in the SERVQUAL models: tangibles and security. Despite the stream of negative press over recent years concerning MRSA, tangibles were not an issue and the cleanliness of wards being reported to be good.

The meaning of healthcare quality. The second phase of research highlighted a gap between the priorities the public and staff:

- **Public:** attitude trust communications
- **Providers:** attitude tangibles staff

Public priorities focus on human elements of service. While there was a synergy with attitude, providers failed to recognise the significance of communications, both in terms of its importance and risk of failure.

The dimensions of healthcare quality. Exploratory Factor Analysis revealed four factors (Table 2), trust, access, a caring approach and professionalism. From the qualitative and quantitative phases, a conceptual model was developed, presented in Figure 2.
<table>
<thead>
<tr>
<th>Communication</th>
<th>Cronbach’s Alpha</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Having trust in the clinical ability of the professional</td>
<td>.948</td>
<td>.726</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information is passed to other departments/agencies if necessary</td>
<td>.716</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional takes time to conduct examination, treatment/tests</td>
<td>.712</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calls for assistance are answered in a timely manner</td>
<td>.666</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My full medical history is used when necessary in making a diagnosis</td>
<td>.695</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not to feel a nuisance when asking for help in hospital</td>
<td>.685</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professionals have all relevant information about me to hand</td>
<td>.659</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information given by different staff/departments is consistent</td>
<td>.644</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriate information is given to me at all times</td>
<td>.629</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professionals have all relevant information about me to hand</td>
<td>.611</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Needs are assessed and appropriate action taken if there is a problem</td>
<td>.607</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feeling the professional listens to what I say</td>
<td>.593</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff show a willingness to help</td>
<td>.559</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To feel the doctor trusts me</td>
<td>.541</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff do what they say when they say</td>
<td>.537</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff are aware of my fears</td>
<td>.518</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complaints are addressed in a timely manner</td>
<td>.517</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I know who to speak to if I have concerns</td>
<td>.506</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Access</th>
<th>Cronbach’s Alpha</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not to spend lengthy periods in waiting rooms</td>
<td>.819</td>
<td>.734</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appointments not to run late</td>
<td>.655</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Explanations to be given if appointments run late</td>
<td>.651</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plenty of notice given for cancelled appointments</td>
<td>.611</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Caring Approach</th>
<th>Cronbach’s Alpha</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional helps me to relax</td>
<td>.839</td>
<td>.661</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional to be friendly and informal</td>
<td>.606</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local clinics/surgeries to be visually pleasing</td>
<td>.554</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospital wards to be bright and welcoming</td>
<td>.532</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To be shown respect</td>
<td>.521</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff to have ‘people skills’</td>
<td>.505</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Trust</th>
<th>Cronbach’s Alpha</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>The professional knows me and understands my needs</td>
<td>.755</td>
<td>.542</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Records on cleanliness/MRSA/CDiff/ are available</td>
<td>.535</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To know my doctor</td>
<td>.530</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The hospital has a good reputation</td>
<td>.508</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

DISCUSSION AND CONTRIBUTIONS
This research makes three important contributions. First, that the key dimensions of healthcare quality make important contributions to the overall positive or negative evaluation of service experience. Second, that healthcare quality may be defined differently by service clients and providers, leading to a gap that can lead to tension in the evaluation of service performance. The third contribution is a construct of service quality, summarised in Figure 2.
This study supports the argument that performance targets are not always the best measure of quality. Rather, inter-relational factors are also critical (Keogh, 2013). Management needs to better understand what is important to patients and carers and to understand how their staff view quality and the gaps that may result. If staff believe particular service elements to be important, while patients prioritise others, this gap will detract from effective evaluation of service performance. The research has also highlighted the difficulties patients encounter in evaluating healthcare service quality, providing opportunity to influence expectation and satisfaction through communication. Difficulties arise when clinicians do not understand the nature of the service construct from the patient’s perspective (Brown and Swartz, 1989), for them, technical outcomes outweigh the functional elements. Meanwhile, back-office and support staff often do not appreciate their own contribution in the service encounter. Thus, this research sets a management agenda to understand and influence expectations and experience (satisfaction), based on clearly defined dimensions. The findings of this study offer a foundation for the development of an evaluation tool that could be useful as a quality diagnostic in the delivery of healthcare as part of a continuous improvement plan. At the same time however, they point the way to develop this research agenda to further understand the nature of expectation and dimensionality in the sector.

REFERENCES


Who is the social coupon shopper?

Understanding the drivers of social coupon adoption

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Abstract

This paper contributes to consumer shopping behaviour literature with a focus on deal-of-the-day websites shopping. “Deal of the Day” (DoD) websites are platforms that allow consumers to purchase “in a social way”: a volume discount is provided only after enough people subscribe to a deal (or “e-coupon”). Students are becoming an interesting target for e-commerce companies as they are among the most eager consumers to make online purchases. Thus, it is important for DoD websites to identify the drivers of college students’ online shopping behaviour. This paper aims to explore drivers of the adoption of DoD shopping focussing on six constructs, proceeding from promotional and e-commerce literature: Deal Proneness, Market Mavenism, Shopping Smart, Value Consciousness, Perceived Risk and Enjoyment. Data to test the hypotheses was collected by means of an online survey. In contrast to previous research that found that price savings are the main reason for coupon use, our study finds that Enjoyment plays a major role in students’ DoD shopping behaviour. They will purchase more e-coupons when the experience is more enjoyable. DoD platforms could leverage Enjoyment to create a compelling value proposition for both consumer retention and consequent merchant attraction.

Keywords: social couponing, enjoyment, e-commerce

1. INTRODUCTION

Marketing literature has investigated coupons as tools that support customer acquisition and trial of new products since long (Narasimhan, 1984; Blattberg & Neslin, 1989). With the advent of the Internet, coupons have become digital and major retailers and consumer goods manufacturers offer them online (Suri, Swaminathan & Monroe, 2004). E-coupon websites are platforms that enable consumers to browse through numerous product and service categories and download coupons that appeal to their preferences (Fortin, 2000). As a result, consumers are encouraged to self-tailor promotions and discounts. Hence, redemption rates for e-coupons are expected to be higher because coupons will be user-requested (Fortin, 2000; Neslin & Clarke, 1987).
In recent years, a novel type of online coupon websites called “Deal of the Day” (DoD) websites has emerged (Ardizzone & Mortara, 2014; Krasnova, Veltri, Spengler & Günther, 2013). DoD websites allow a group of customers to purchase “in a social way”: the more customers purchase together (a specific product or service), the greater the discount they get (Liang, Ma, Xie & Yan, 2014; Hu, Shi & Wu, 2013; Anand & Aron, 2003). DoD websites put small merchants (such as restaurants, fitness clubs, niche e-tailers) in contact with prospects. DoD websites have been referred to as one of the most relevant phenomena in e-commerce (Magno, Cassia & Ugolini, 2014). Groupon has emerged as the leading player in DoD in several countries (Krasnova, Veltri, Spengler & Günther, 2013).

The majority of extant studies have been focused on the benefits that DoD platforms offer to merchants: DoD provide opportunities for price discrimination and customer acquisition (Edelman, Jaffe & Kominers, 2014). However, Kumar and Rajan (2012) showed that the profitability of DoD for merchants is often compromised due to the depth of price cuts. Merchants on the other hand find it difficult to remarket products at regular price to customers who were attracted by reduced prices. High turnover of merchants could put the DoD platform business model at peril over the long term. This paper aims to identify the drivers that influence consumers in their adoption of DoD shopping, that could be leveraged to create a more compelling value proposition both for consumer retention and merchant attraction. We draw constructs from a rich body of literature in the areas of promotions and e-commerce. In line with Kim and La Rose (2004), due to the penetration of Internet and use of new mobile devices, students are becoming a new interesting target for online companies. According to Lester, Forman and Loyd (2005) college students spend hours surfing the Internet each day, and are among the most eager consumers to make online purchases (Seock & Bailey, 2008). Thus, it is important for DoD websites to identify the drivers of college students’ online shopping behaviour if they are to target this substantial market segment effectively.

2. LITERATURE REVIEW AND HYPOTHESES

This paper will contribute to the body of consumer shopping behaviour literature with a focus on DoD platform shopping. Boon (2013) identified that motivation for shopping on DoD websites ranges from purely utilitarian (e.g. greater choice and lower price) to purely hedonistic (e.g. pleasure). Recently research on the role of emotions in price promotion showed that shoppers on DoD websites are more likely to choose deals that are rich in affect (Aydinli, Bertini and Lambrecht, 2014). Thus, in order to better understand DoD shopping among students we will explore the role of six different constructs, proceeding from promotional and e-commerce literature. In particular, this study focuses on Deal Proneness, Market Mavenism, Shopping Smart, Value Consciousness, Perceived Risk and Enjoyment.

Webster (1965) introduced the profile of the Deal-Prone consumer in his study on price sensitivity. Deal prone consumers have a higher propensity to respond to an offer. They usually feel promotions are attractive. They are recognized to switch brands in order to take advantage of price promotion. Several researchers suggest that deal proneness is a general characteristic that may vary based on the product category (Bawa & Shoemaker, 1987) and the type of promotion (Lichtenstein, Burton, & Netemeyer, 1997). Deal prone consumers seem to be attracted by the availability of a promotion rather than by the actual depth of the price cut (Dholakia & Kimes, 2011). A 7-point Likert scale proposed by Netemeyer, Burton and Lichtenstein (1995), is used to measure Deal Proneness. We formulate the following hypothesis:

H1. Deal Proneness has a positive relationship with DoD Shopping. Hence, the greater the Deal Proneness, the higher the DoD Shopping activity.
Feick and Price (1987) define Market Mavens as consumers that have great motivation and sense of obligation to find information about a variety of products and share this information with other consumers. Price, Feick and Guskey-Federouch (1988) find that mavens are super-couponers: promotions are a type of product information that they like to collect and share. We measure Market Mavenism through a 7-point Likert scale from Feick and Price (1987). As DoD enables consumer trial of a variety of products and services through new merchants, we can hypothesize as follows:

**H2. Market Mavenism has a positive relationship with DoD Shopping. Hence, the greater the Market Mavenism, the higher the DoD Shopping activity.**

Boon (2013) and Schindler (1989) stress that mavens want to be perceived as Smart Shoppers. Smart shoppers display two skills: sales awareness and ability to evaluate price effectively (Mano & Elliot, 1997). These may provide psychological and social benefits (Schindler, 1989). In particular, smart shoppers experience feelings of proudness and excitement that facilitate a positive shopping experience (Feick, Lawrence & Federouch, 1988; Holbrook, Chstnut & Greenleaf, 1984). Smart shoppers see couponing as a challenge and a hobby (Price, Feick & Guskey-Federouch, 1988). We use the 5-point Likert scale proposed by Ganesh, Reynolds and Luckett (2007) to be able to measure Shopping Smart. Therefore, we postulate that:

**H3. Shopping Smart has a positive relationship with the DoD Shopping. Hence, the greater the Shopping Smart, the higher the DoD Shopping activity.**

Lichtenstein, Netemeyer, and Burton (1990) distinguish between the two constructs of coupon-proneness and value-consciousness. They are distinct determinants of coupon-redemption behaviour. Value conscious consumers may not be coupon/deal prone, but may use deals when such use enhances the value proposition of the offer. The authors’ definition of coupon-proneness coincides with deal-proneness (H1), whereas Value Consciousness is a “concern for price paid relative to quality received” (Lichtenstein, Ridgway & Netemeyer, 1993, p.235) and was found to be negatively related to the quantity of promoted products purchased. We will use the 7 point-Likert scale proposed by Lichtenstein, Netemeyer, and Burton (1990) to test the role of Value Consciousness in DoD shopping and we propose the following hypothesis:

**H4. Value Consciousness has a negative relationship with DoD Shopping. Hence, the greater the Value Consciousness, the lower the DoD Shopping activity.**

Perceived Risk reflects the consumer’s overall perception of the risk inherent in purchasing products in a specific product category (Del Vecchio & Smith, 2005; Dowling & Staelin, 1994). Consumers’ perceived risk has been found to be greater in online than in offline purchasing (e.g. Hansen, 2006; Van den Poel & Leunis, 1999). Researchers have found that the individual’s perception of the level of risk significantly influence intention to purchase online (Wu & Ke, 2015; Liao, Liu, & Chen, 2011). We measure DoD Perceived Risk with a 7-point Likert scale from Cox and Cox (2001). Then, we advance the following:

**H5. Perceived Risk has a negative relationship with DoD Shopping. Hence, the greater the Perceived Risk, the lower the DoD Shopping activity.**
Consumer shopping behaviour is affected by emotional states (Wolfinbarger & Gilly, 2001). Specifically, consumers who perceive shopping as an enjoyable experience tend to display a more positive mood, and are thus more inclined to increase their intended and actual purchases (Beatty & Ferrell 1998; Childers, Carr, Peck & Carson, 2002). Sweeney and Soutar (2001) found that emotional value was the most important predictor of behavioural intention to purchase products or services in a retail setting. In promotional literature, Mittal (1994) suggested that enjoyment is the best predictor of the attitude toward coupon use. In e-commerce literature, enjoyment is found to be an important antecedent of website use (Dennis, Merrilees, Jayawardhena & Wright, 2009; Sánchez-Franco & Roldán, 2005). In the DoD context Aydinli, Bertini and Lambrecht (2014) measured the Net Hedonism (Okada 2005; Dhar and Wertenbroch 2000) of a deal as the extent to which it gives pleasure and fun (affective content) minus its practical benefits. Their study proves that the presence of a deal (i.e. price promotion) versus regular price increases the impact of affect on purchase decisions. To measure the construct of DoD Enjoyment we adapt the original 7-point Likert Enjoyment scale proposed by Davis, Bagozzi and Warshaw (1992). We can therefore postulate a similar relationship in the case of DoD Shopping:

**H6. DoD Enjoyment has a positive relationship with DoD Shopping. Hence, the greater the DoD Enjoyment, the higher the DoD Shopping activity.**

### 3. METHODOLOGY AND RESULTS

Data to test the hypotheses was collected by means of an online survey. The sample was selected from an e-mailing list of undergraduate and graduate students in Business and Economics. They were asked to recall whether they shopped on Groupon. Groupon was chosen as it is the leading platform in the country with 10 million subscribers and yearly sales in excess of 250 million EUR (Rusconi, 2014; ICT4Executive, 2012). A total of 359 questionnaires were collected; we focused on respondents who had previously shopped on Groupon, thus restricting the analysis to 146 subjects. Demographic characteristics including gender and age were also registered. Subjects were mainly females (71.2%) with an average age of 24. The selected constructs were measured by means of Likert scales. DoD shopping was measured by asking subjects to recall “how many deals they bought on Groupon in the last year”. Subjects were found buying 3 DoD on average. All construct measures proved to be reliable or close to reliability. Table 1 displays Cronbach’s alpha and means for the measured constructs.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deal Proneness</td>
<td>4.8</td>
<td>1.2</td>
<td>0.87</td>
</tr>
<tr>
<td>DoD Enjoyment</td>
<td>4.8</td>
<td>1.4</td>
<td>0.93</td>
</tr>
<tr>
<td>Market Mavenism</td>
<td>4.7</td>
<td>1.3</td>
<td>0.88</td>
</tr>
<tr>
<td>DoD Perceived risk</td>
<td>2.9</td>
<td>1.3</td>
<td>0.85</td>
</tr>
<tr>
<td>Shopping Smart</td>
<td>3.8</td>
<td>0.8</td>
<td>0.68</td>
</tr>
<tr>
<td>Value Consciousness</td>
<td>5.5</td>
<td>1.2</td>
<td>0.83</td>
</tr>
</tbody>
</table>
Due to high over-dispersion in the data, a Negative Binomial regression model was employed to test hypotheses. Gender and age were included in the model as control variables with the independent variables of interest. Number of DoD bought in the last year was the dependent variable. Analyses were performed using R statistical software. After mean-centering the continuous independent variables, possible multicollinearity in the model was assessed using variance inflation factor and tolerance values. No issues were detected. The Negative Binomial regression model fitted the data well, as the ratio deviance/degrees of freedom was close to 1 (1.12). The likelihood ratio test showed that the Negative Binomial model performed significantly better than a Poisson model ($\chi^2$ (df=10)=123.5, $p<0.001$). Finally, the model predicted DoD shopping significantly better than an intercept-only-model ($\chi^2$ (df=8) = 36.9, $p<0.001$). Table 2 shows results from the Negative Binomial regression.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Estimate</th>
<th>Std. Errors</th>
<th>Std. Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Intercept)</td>
<td>0.891</td>
<td>0.151</td>
<td></td>
</tr>
<tr>
<td>Deal Proneness</td>
<td>0.125 *</td>
<td>0.075</td>
<td>0.038</td>
</tr>
<tr>
<td>DoD Enjoyment</td>
<td>0.205 ***</td>
<td>0.065</td>
<td>0.071</td>
</tr>
<tr>
<td>Market Mavenism</td>
<td>0.033</td>
<td>0.076</td>
<td>0.010</td>
</tr>
<tr>
<td>DoD Perceived Risk</td>
<td>-0.117 *</td>
<td>0.063</td>
<td>-0.037</td>
</tr>
<tr>
<td>Shopping Smart</td>
<td>0.062</td>
<td>0.130</td>
<td>0.012</td>
</tr>
<tr>
<td>Value Consciousness</td>
<td>-0.250 ***</td>
<td>0.080</td>
<td>-0.074</td>
</tr>
<tr>
<td>Age</td>
<td>0.037 **</td>
<td>0.018</td>
<td>0.039</td>
</tr>
<tr>
<td>Gender</td>
<td>0.291</td>
<td>0.178</td>
<td>0.032</td>
</tr>
</tbody>
</table>

***=p<0.01; **=p<0.05; *=p<0.10

Deal Proneness was slightly related to DoD Shopping ($z= 1.672, p=0.09$). Therefore, there is weak support for H1. DoD Shopping did not significantly increase as Market Mavenism increased ($z= 0.440, p=0.66$), providing no support for H2. Shopping Smart was not significantly related to DoD Shopping ($z= 0.473, p=0.64$) leading to reject H3. However, support is found for H4, as DoD Shopping significantly decreased as Value Consciousness increased ($z= -3.123, p<0.01$). Perceived Risk was slightly negatively related to DoD Shopping ($z=-1.866, p=0.06$), offering partial support for H5. Finally, as DoD Enjoyment increased, DoD Shopping significantly increased ($z= 3.161, p<0.01$), providing evidence to accept H6.

4. IMPLICATIONS AND LIMITATIONS

In contrast to previous research that found that price savings are the only reason for coupon use (Ashworth, Darke & Schaller, 2005; Babakus, Tat & Cunningham, 1988), our study found that hedonic values play a major role in consumers’ DoD shopping behaviour. In line with findings by Aydinli, Bertini and Lambrecht (2014), our study shows that students will purchase more DoDs when the experience is more enjoyable: this suggests further exploration of the relationship between DoD website enjoyment and the affective content of the offered deals.
This carries major managerial implications for DoD platforms and merchants alike. DoD websites in their positioning and communication strategies are encouraged to play on the variety of offers available, present these in an fun way and enhance the navigation experience on the website so that it trigger higher enjoyment on the part of the users. Marketing resources will yield better returns if invested in promotional tactics and website features that stimulate fun and enjoyment rather than investing in price cuts. Such DoD platform positioning could attract more merchants as they will not be scared away by the necessity to propose their products on the platform at rock-bottom prices – a choice that could deposition their offering. A more sustainable pricing point for products and services on offer could encourage merchants to repeat their experience with the platform, consequently providing the DoD with a steady flow of revenues over time. A solid base of merchants could also result in better customer service, a concern that has emerged from the study as playing a role in retaining customers from increasing their DoD shopping. Along the same lines, DoD platforms should pay attention to reassuring customers regarding risks associated with DoD shopping all along the website experience.

There are several limitations to this study, which could be addressed by further research. We employed a cross-sectional survey with a descriptive model, with no aim to estimate causal effects. The analysis is limited the student population of a single University. Age was a significant predictor of Groupon usage even in the homogenous group of students. Hence, the established relationships may vary by age segment. Finally, we measured DoD shopping by means of a self-reported measure: number of DoD bought in the last year. We focused on one DoD player only in order to limit possible heterogeneity deriving from the inclusion of additional DoD players. Further studies should try to measure DoD shopping through different measures (e.g. amount spent or other behavioural data) and across several DoD players.

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References


Branding cities: does one size fit all?

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Abstract:

An examination of the city branding literature shows that most of the studies are based upon surveys of residents that do not differentiate the population by neighborhood. However, cities have multiple images depending upon the beholder. What results from undifferentiated surveys is an amorphous image of the city that purports to be representative of all its residents. In order to test the assumption of multiple images of a city, we undertook a survey of three different neighborhoods of a city of 183,000 residents. The findings of this study cast doubt about the ability of a city to maintain one central image among all its residents. As such, city municipalities and researchers should take into account the differences between residents of different neighborhoods when they strive to determine a city’s image and its brand.

Keywords: City Branding, City Image, Identity, Branding Methodology

Track: Public Sector and Nonprofit Marketing

1. INTRODUCTION

The marketing of cities literature is replete with articles on the subject of city branding including the topic of measuring city image, which is a precursor to the development of a city brand. City branding has become a widespread phenomenon throughout the world. Not only have global cities like London, New York, Paris and Rome adopted a brand strategy, but also localized cities such as Dunwoody, Georgia and Buffalo City (not New York State, but East London, South Africa). Why do cities need to brand themselves? City branding can promote a city’s tangible and intangible attributes in order to compete for share of the world’s consumers, tourists, businesses, investment, skilled workers and share of mind. With city revenues and consumer spending declining, small businesses closing, cities must strategically reposition their approach to economic development (note that the industrial city of Detroit has filed for bankruptcy). Cities can use branding as a way to unite its stakeholders around a new competitive identity and to communicate their message to target audiences.

Half of the world’s population lives in cities and employment opportunities are crucial to sustain growth. At a mayor’s conference, President Obama stressed their economic importance: “cities are the building blocks of strong regions, and strong regions are essential for a strong America”. Like the merchant city-states of Renaissance Italy, cities are today’s drivers of trade and industry in a globalized world. Cities that have a positive image and identity are better able to meet the demands of their stakeholders, whether they are residents, business people, or visitors. In order to gain competitive advantage, cities must attain a localized, regional or global awareness, recognition and identity.

In an era of globalization, the identity of nation states may become overshadowed economically and politically by regional entities such as the European Union and the Øresund area (Southern Sweden and Eastern Denmark). As a result, cities take on added importance in the identity of nations. Two cases in point are Strasbourg, which is the home of the European Parliament, and Copenhagen, which is the dominant city in the Øresund area. Copenhagen and Malmö are connected by a bridge that provides an overland link with Continental Europe. Given the role of Copenhagen as the dominant city in the Øresund area, and as the capital of Denmark, its leaders have to decide the extent to which the city should take on a more regional, as opposed to its current local identity. This identity is crucial for attracting a city’s target markets, such as tourists, investors and skilled workers.

Cities compete with one another for awareness, recognition and ultimately, money. Some cities are identified as hosts for mega-events, such as Beijing, Seoul, Athens and St. Moritz. Other cities are identified with international festivals, e.g. wine (Budapest, Mosel, Porto), films (Cannes, Las Vegas), music (Atlantic City, Prague), fashion (New York, Rome, Paris, Milan), or just fun (Rio de Janeiro, Fort Lauderdale, Mexico City). Some cities are identified by their high crime rates (Gary, Indiana), pollution (Mexico City), and poverty (Cairo, Egypt). One fact is common to all cities: they are “branded” by their identities. Those with positive identities want to reinforce them; those with negative identities wish to rebrand them. A positive city image has been found to influence tourist traffic as reported by (Alcaniz et al, 2009; Aksu et

al, 2009; Philips and Jang, 2008; Byon and Zang (2009) and attract residents (Herstein and Jaffe, 2008; Herstein et al, 2014). The first step in a branding city campaign is the determination of its image. Image is the set of beliefs, ideas, and impressions that a person holds regarding an object as reported by (Kotler, 1997, 607). Therefore, image is the mental picture that people hold about that object, e.g. a city. Understanding these mental pictures is important because "people's attitudes and actions toward [a city] are highly conditioned by that [city's] image as reported by (Kotler, 1997, 607; Jaffe and Nebenzahl, 2006, 15). Identity, on the other hand, comprises the way a city is positioned to its target markets, e.g. residents, tourists, and investors. In other words, a city's identity may be different from its image as perceived by its audiences.

An examination of the city branding literature shows that most of the studies are based upon surveys of residents that do not differentiate the population by neighborhood. However, cities have multiple images depending upon the beholder. A city may be perceived differently by the unemployed than by a business executive, by residents who live in the city center versus those who live in its periphery. What results from undifferentiated surveys is an amorphous image of the city that purports to be representative of all its residents. From this image an identity is formed that is not truly representative of all the population. In order to test the assumption of multiple images of a city, we undertook a survey of three different neighborhoods of Netanya, a city of 183,000 residents situated in the Northern, Central District of Israel, located 13 kilometers north of Tel-Aviv.

2. METHOD

2.1 Data collection

A survey was conducted in April and May 2014 among residents of three different neighborhoods. Ramat-Poleg, situated on the sea is characterized as a high-class neighborhood; a center-city area characterized as a medium-low class area; and the Kiryat Sharon neighborhood, surrounding the Netanya Academic College, characterized as a medium-high class neighborhood. Interviewers approached 150 individuals, 50 for each neighborhood.

2.2 Participants

Female respondents (53% of the sample) slightly outnumbered male respondents. The majority held an academic degree (65%) and married (56%). About 45 percent had a monthly household income equal to the average monthly income in Israel at the time; an additional 38 percent had a monthly income higher than the average. Fifty-seven percent of the Ramat-Poleg sample had higher than average incomes and 43 percent similar to average. Residents sampled in Kiryat Sharon had incomes distributed between average (54%) and higher than average (44%). Center-City residents had significantly lower incomes than the other neighborhoods with only 16 percent having higher than average incomes, while half the sampled residents had average incomes and 36 percent had lower than average income.

2.3 Measurement

Twenty five items describing dimensions of the city image concept were derived from those used in previous studies (the full list is available from the authors). Respondents were asked to rate their degree of agreement with each item descriptor on a scale ranging from 1- Strongly disagree to 7- strongly agree.

3. FINDINGS AND CONCLUSIONS

A one way ANOVA with Tukey post hoc analysis was run to test for differences between the residents of the three neighbourhoods in their perception of the city image items. The analysis was done separately for each item in order to see if there are significant differences that put into question the ability of a city to create a common image among all its residents. The results are presented in table 1.

As shown in table 1, there are six items- quiet, without air pollution, low crime rate, close to large city, nice weather and the presence of which were common to all three neighborhoods. Among the other 19 items, there are significant differences between at least two neighbourhoods. However, the differences are not consistent. For some city image aspects, the Center-City and the Kiryat Sharon neighbourhoods differ from the Ramat-Poleg neighbourhood (for example, regarding lighting at night and satisfaction from post office services). In contrast, there are aspects where the Center-City and the Ramat-Poleg neighbourhoods differ from Kiryat Sharon (for example, regarding the safety of the city and the amount of green spaces). In any case, the high proportion of significant differences between the neighbourhoods shows that residents in each hold different image perceptions. As a result, it becomes difficult to fashion one identity for the city of Netanya. To sum up, the findings of this study cast doubt about the ability of a city to maintain one central image among all its residents. As can be seen from the results, the location of a neighbourhood and its socio-economic class
impact its residents’ perception of the city. As such, city municipalities and researchers should take into account the differences between residents of different neighbourhoods when they strive to determine a city’s image.

<table>
<thead>
<tr>
<th>City image item</th>
<th>Means of group 1</th>
<th>Means of group 2</th>
<th>F value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quiet</td>
<td>Center-City</td>
<td>4.56</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
<td>4.78</td>
<td>.39</td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td>4.54</td>
<td></td>
</tr>
<tr>
<td>Without air pollution</td>
<td>Center-City</td>
<td>4.12</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
<td>4.18</td>
<td>.04</td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td>4.10</td>
<td></td>
</tr>
<tr>
<td>Low crime rate</td>
<td>Center-City</td>
<td>4.08</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
<td>4.48</td>
<td>.94</td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td>4.42</td>
<td></td>
</tr>
<tr>
<td>Close to large city</td>
<td>Center-City</td>
<td>4.96</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
<td>4.96</td>
<td>.41</td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td>5.20</td>
<td></td>
</tr>
<tr>
<td>Nice weather</td>
<td>Center-City</td>
<td>4.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
<td>5.28</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td>5.32</td>
<td></td>
</tr>
<tr>
<td>Have discotheques and night clubs</td>
<td>Center-City</td>
<td>2.22</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
<td>1.86</td>
<td>.75</td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td>2.06</td>
<td></td>
</tr>
<tr>
<td>Safe</td>
<td>Center-City</td>
<td>4.38</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
<td>4.26</td>
<td>5.1**</td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td>5.08</td>
<td></td>
</tr>
<tr>
<td>Have green spaces</td>
<td>Center-City</td>
<td>3.88</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
<td>4.5</td>
<td>7.2**</td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td>5.12</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>Clean</td>
<td>Center-City</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
<td>4.44</td>
<td>4.5*</td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td>5.34</td>
<td></td>
</tr>
<tr>
<td>Well lighted at night</td>
<td>Center-City</td>
<td>4.86</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
<td>5.35</td>
<td>7.9**</td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td>4.08</td>
<td></td>
</tr>
<tr>
<td>Have public gardens</td>
<td>Center-City</td>
<td>4.74</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
<td>5.76</td>
<td>8.5**</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5.60</td>
<td></td>
</tr>
</tbody>
</table>

*18* When there is no significant difference between the groups, all the means belong to group 1. When there is significance difference between means, some of the means belong to group 2.
<table>
<thead>
<tr>
<th>City image item</th>
<th>Means of group 1</th>
<th>Means of group 2</th>
<th>F value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ramat-Poleg</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not crowded</td>
<td>Center-City</td>
<td>3.88</td>
<td>4.5</td>
</tr>
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<td></td>
<td>Kiryat Sharon</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td></td>
<td></td>
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<tr>
<td>Well maintained streets and sidewalks</td>
<td>Center-City</td>
<td>4.40</td>
<td>4.94</td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Have high class residents</td>
<td>Center-City</td>
<td>3.84</td>
<td>4.74</td>
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<tr>
<td></td>
<td>Ramat-Poleg</td>
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<td></td>
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<td>Enough post office services</td>
<td>Center-City</td>
<td>4.04</td>
<td>3.9</td>
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<tr>
<td></td>
<td>Kiryat Sharon</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enough banking services</td>
<td>Center-City</td>
<td>4.08</td>
<td>5.08</td>
</tr>
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<td></td>
<td>Kiryat Sharon</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enough health services</td>
<td>Center-City</td>
<td>4.06</td>
<td>5.06</td>
</tr>
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<td></td>
<td>Kiryat Sharon</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Close to highways</td>
<td>Center-City</td>
<td>4.92</td>
<td>5.88</td>
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<tr>
<td></td>
<td>Kiryat Sharon</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good public transportation</td>
<td>Center-City</td>
<td>4.74</td>
<td>3.78</td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enough parking spaces</td>
<td>Center-City</td>
<td>4.12</td>
<td>4.12</td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Encourages contact with the municipality</td>
<td>Center-City</td>
<td>4.10</td>
<td>4.10</td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High level of education system</td>
<td>Center-City</td>
<td>4.14</td>
<td>4.14</td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caring for older people</td>
<td>Center-City</td>
<td>3.24</td>
<td>3.24</td>
</tr>
<tr>
<td></td>
<td>Kiryat Sharon</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ramat-Poleg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City image item</td>
<td>Group 1</td>
<td>Group 2</td>
<td>F value</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>----------------------------------</td>
<td>----------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Have sports and country clubs</td>
<td>Center-City</td>
<td>Kiryat Sharon</td>
<td>3.18</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ramat-Poleg</td>
<td>4.78</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4.37</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>11.8**</td>
</tr>
<tr>
<td>Have youth clubs and boys scouts</td>
<td>Center-City</td>
<td>Kiryat Sharon</td>
<td>3.54</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ramat-Poleg</td>
<td>4.48</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4.22</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3.6*</td>
</tr>
</tbody>
</table>

*P<.05; ** P<.01

References
Solely loyal households

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Abstract
This paper brings together the main findings of a research study on the purchasing behaviour of solely loyal households, i.e. households that only bought one brand in a product category in the relative period. It aims to study the nature of solely loyal households in terms of their proportion and market power compared to households that show other patterns of loyalty in their purchasing behaviour. The study also examines for the existence of 'sole loyalty proneness'. The results showed that solely loyal households account for a significant share of the households studied for all product categories and years but have a disproportionately small share in household consumption compared to their number. The study also uncovered a pattern of diachronic sole loyalty – a tendency of some solely loyal households to remain such over the years and a pattern of synchronic/cross-category sole loyalty - some households are in a state of sole loyalty in several product categories at the same time.

Keywords: brand purchasing, sole brand loyalty, panel data

INTRODUCTION
Few empirical studies have focused on the brand purchasing behaviour of solely loyal buyers, although their proportion is a metric that has not been overlooked by marketers (Sharp and Goodhardt 2002; Foxall 2002). Solely loyal buyers are known to be rear and lighter buyers of the overall category (Ehrenberg and Scriven, 1997) and their number is smaller for smaller brands (Ehrenberg and Uncles 1999). One of the comprehensive studies on the regularities in sole buying has been conducted by Cannon, Ehrenberg and Goodhardt (1970) who examined the incidence of sole buyers, frequency of buying, and period-to-period repeat buying and found that that the sole buyer as defined is more regular in his/her buying behaviour than is the average buyer of the brand. Foxall (2005) established that although multi-brand purchasing was found extensively for all products, a small number of consumers were sole purchasers of each brand and their proportion ranged from 59 per cent for butter to 14 per cent for cereals and cheese, which he found to be consistent with marketing research on aggregate patterns of brand choice.

This study focuses on sole brand loyalty in the context of cross-category related brand choice behaviour. It aims to study the nature of solely loyal households in terms of their proportion and market power compared to households that show different patterns of brand loyalty (Brown 1953, E). Another objective of the study was to examine for the existence of ‘sole loyalty proneness’. That required testing of a modified version of Cunningham’s hypothesis that loyalty that a consumer showed in one category was related to loyalty in another (Cunningham 1956).

METHODOLOGY
The study is based on data from a consumer panel of the market research agency GfK in Bulgaria that observes household consumption of a limited range of fast moving consumer products. Six product categories have been examined in this study (frankfurters, margarine, toothpaste, detergents, beer and coffee) for a period of four years. The data collection method requires filling in a diary for a two weeks period by the person primarily responsible in the household for the purchase of products for household consumption. A multi-cluster design of the sample has been used which size varies for the different years, including numbers from 2000 to 2500 households.

The level of analysis here is that of the product category, not of the individual brands presented therein. This does not mean that if a household was solely loyal in a particular product category, for example, for the years 1, 2 and 3, the same household was loyal to a specific brand. Different combinations are possible: each year the household was solely loyal to a different brand in a category; each year it was solely loyal to the same brand; in the first year the household was solely loyal to one brand, in the second to another, in the third it might have returned to the brand preferred in first year and so on.

THE RESULTS
How many are the solely loyal households?
The study found (Table 1) that the proportion of solely loyal households both by categories for the period and by years for the categories is relatively high (compared to findings about individual sole buyers) - slightly under a third of the households were solely loyal averaged over all categories and all households.

Table 1. Distribution of solely loyal households by product categories and years (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Product categories</th>
<th>Row average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frankfurters</td>
<td>Margarine</td>
</tr>
<tr>
<td>Y1</td>
<td>35.6</td>
<td>37.4</td>
</tr>
<tr>
<td>Y2</td>
<td>32.4</td>
<td>42.4</td>
</tr>
<tr>
<td>Y3</td>
<td>30.2</td>
<td>38.3</td>
</tr>
<tr>
<td>Y4</td>
<td>24.5</td>
<td>34.2</td>
</tr>
<tr>
<td>Column average</td>
<td>30.7</td>
<td>38.1</td>
</tr>
</tbody>
</table>

The share of solely loyal households (Table 1) averaged over all categories, subtly but steadily declines over the years: from 32.3% in Y1 (the highest share) to 31.4% in Y2, 29.5% in Y3 and 27.4% in Y4 (the lowest share, the last column of the table) which is in line with the findings of Cannon, Ehrenberg and Goodhardt that showed that the proportion of buyers of a brand who are sole buyers of that brand decreases with increasing length of analysis-period (Cannon et al. 1970).

The share of solely loyal households varies significantly among product categories (Table 1). It is highest with the category of coffee (on average 41.7%) and lowest in the category of beer - 20%. Our prior expectation that in categories with a larger number of brands there would be fewer solely loyal households was not justified – the categories with the highest number of brands which are coffee and frankfurters, show a higher than average proportion of solely loyal buyers (35.6% and 43.5% respectively).

The proportion of solely loyal households who have shown loyalty to at least one product category of the six studied (Table 2) is high but with a steady trend towards a slight decrease over the years. For Y1 this proportion was 90.5%, 89.9% for Y2, 88.3% for Y3 and 87.1% for Y4.

Table 2. Distribution of solely loyal households by the number of categories in which they are loyal for the respective year

<table>
<thead>
<tr>
<th>Household type</th>
<th>Y1</th>
<th>Y2</th>
<th>Y3</th>
<th>Y4</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solely loyal in 1 category</td>
<td>41.5</td>
<td>42.2</td>
<td>46.7</td>
<td>48.1</td>
<td>44.6</td>
</tr>
<tr>
<td>Solely loyal in 2 categories</td>
<td>34.7</td>
<td>35.1</td>
<td>33.9</td>
<td>32.0</td>
<td>33.9</td>
</tr>
<tr>
<td>Solely loyal in 3 categories</td>
<td>17.8</td>
<td>17.0</td>
<td>15.0</td>
<td>15.4</td>
<td>16.3</td>
</tr>
<tr>
<td>Solely loyal in 4 categories</td>
<td>5.1</td>
<td>5.4</td>
<td>3.2</td>
<td>3.9</td>
<td>4.4</td>
</tr>
<tr>
<td>Solely loyal in 5 categories</td>
<td>0.8</td>
<td>0.4</td>
<td>1.0</td>
<td>0.5</td>
<td>0.7</td>
</tr>
<tr>
<td>Solely loyal in 6 categories</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Solely loyal in at least one of the six categories</td>
<td>90.5</td>
<td>89.9</td>
<td>88.3</td>
<td>87.1</td>
<td>89</td>
</tr>
</tbody>
</table>

For the entire period studied, solely loyal households were loyal on average to slightly under two product categories (Table 2). There is a steady decline in the average loyalty from 1.89 categories for Y1, to 1.87 in Y2 to 1.78 in Y3 and 1.77 in Y4. However, because of the short time series, this fact should be taken with caution.

As expected, those who are loyal to only one product category have the largest share among solely loyal households. For the period studied, this share accounts on average for 44.6% of all solely loyal households (last column). The solely loyal in two categories are 33.9%, i.e. loyal in one or two categories are 78.5%. The solely loyal in 5 or 6 categories have a very small share, respectively, 0.7% and 0.1%.

The general conclusion implied by the results in Tables 1 and 2 is that solely loyal households account for a significant share of the households surveyed for all product categories and years.

What is the market power of solely loyal households?

In order to determine what the market power of solely loyal households is we use the following metrics: market share of these households in the total household consumption; average amount consumed per household; ratio between the share of the households and the share of their household consumption.
It was established that solely loyal households have a disproportionately smaller share of total household consumption compared to their number. These 30.2% (Table 1) of all households for all categories and years account for only 18.4% (Table 3) of household consumption for the same categories and households studied. Conversely, the remaining 69.1% of the households account for 81.6% of total household consumption. The market power of solely loyal households varies strongly by categories. The highest market power of solely loyal households is observed in the category of coffee (32.2%) and the lowest - in the category of detergents (11.6%).

Table 3: Market shares in household consumption by product categories and years (%)

<table>
<thead>
<tr>
<th>Product categories</th>
<th>Y1 Others</th>
<th>SOLEY loyal</th>
<th>Y2 Others</th>
<th>SOLEY loyal</th>
<th>Y3 Others</th>
<th>SOLEY loyal</th>
<th>Y4 Others</th>
<th>SOLEY loyal</th>
<th>Average Others</th>
<th>SOLEY loyal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frankfurters</td>
<td>83.6</td>
<td>16.4</td>
<td>83.4</td>
<td>16.6</td>
<td>86.7</td>
<td>13.3</td>
<td>91</td>
<td>9</td>
<td>86.2</td>
<td>13.8</td>
</tr>
<tr>
<td>Margarine</td>
<td>73.4</td>
<td>26.6</td>
<td>70.3</td>
<td>29.7</td>
<td>74.9</td>
<td>25.1</td>
<td>79.3</td>
<td>20.7</td>
<td>74.5</td>
<td>25.5</td>
</tr>
<tr>
<td>Toothpaste</td>
<td>86.6</td>
<td>13.4</td>
<td>85.8</td>
<td>14.2</td>
<td>87.2</td>
<td>12.8</td>
<td>86.3</td>
<td>13.7</td>
<td>86.5</td>
<td>13.5</td>
</tr>
<tr>
<td>Detergents</td>
<td>89</td>
<td>11</td>
<td>87.1</td>
<td>12.9</td>
<td>89.1</td>
<td>10.9</td>
<td>88.5</td>
<td>11.5</td>
<td>88.4</td>
<td>11.6</td>
</tr>
<tr>
<td>Beer</td>
<td>80.2</td>
<td>19.8</td>
<td>83.9</td>
<td>16.1</td>
<td>90.2</td>
<td>9.7</td>
<td>91.9</td>
<td>8.1</td>
<td>86.6</td>
<td>13.4</td>
</tr>
<tr>
<td>Coffee</td>
<td>67.9</td>
<td>32.1</td>
<td>68.6</td>
<td>31.4</td>
<td>68.2</td>
<td>31.8</td>
<td>66</td>
<td>34</td>
<td>67.7</td>
<td>32.3</td>
</tr>
<tr>
<td>Average</td>
<td>80.1</td>
<td>19.9</td>
<td>79.9</td>
<td>20.2</td>
<td>82.7</td>
<td>17.3</td>
<td>83.8</td>
<td>16.2</td>
<td>81.6</td>
<td>18.4</td>
</tr>
</tbody>
</table>

The general conclusion to be drawn is that solely loyal households have a disproportionately small share in household consumption compared to their number.

Is there sole loyalty proneness?

One of the objectives of the study was to examine for the existence of “sole loyalty proneness” in some households. The hypothesis of Cunningham that loyalty that a consumer showed in one category was related to loyalty in another (Cunningham 1956), to the best of our knowledge, was tested neither for the category of solely loyal individual buyers, nor for that of solely loyal households. Therein lies the modification of the hypothesis of Cunningham: some households show sole loyalty proneness in several product categories at the same time.

Two facts speak in favor of at least partial confirmation of the modified hypothesis of Cunningham (Table 2). First, the average loyalty is for about two product categories from a total of six studied, i.e. on average solely loyal households are such in two product categories at the same time. Over the years some households leave the category of solely loyal to be replaced by others. On these grounds we can assume the existence of synchronic/cross-category sole loyalty: some households that are in a state of sole loyalty in several product categories at the same time. Second, probably the very selection of product categories matters as to whether the hypothesis will be confirmed or rejected, which is an interesting direction for future research.

One more thing should be noted: the proportion of solely loyal to two or more product categories among all solely loyal households declines steadily over the years studied: in Y1 it was 58.5%, 57.8% in Y2, 53.3% in Y3 and 51.9% in Y4. Longer time series need to be studied in order to establish if this pattern persists.

The study also examined for the existence of diachronic loyalty – a tendency of households to be solely loyal over the years. For this purpose data was used only for that part of the sample, which has participated in the panel during all four years and has filled in the diaries for all six product categories during that time (Table 4). As it is clear from the data in Table 4, some households continue to be solely loyal in the relevant product category over the years. Between 44.1% (in the category of frankfurters) and 57.4% (in the category of coffee) solely loyal households remain such for more than one year of the four-year period.

Table 4: Shares of 100% loyal by years and product categories (%)

<table>
<thead>
<tr>
<th>Number of years of 100% loyalty</th>
<th>Frankfurters</th>
<th>Margarine</th>
<th>Toothpaste</th>
<th>Detergents</th>
<th>Beer</th>
<th>Coffee</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>55.9</td>
<td>45.9</td>
<td>53.3</td>
<td>52.9</td>
<td>54.9</td>
<td>42.6</td>
<td>50.9</td>
</tr>
<tr>
<td>Year 2</td>
<td>31.6</td>
<td>26.9</td>
<td>28.4</td>
<td>31.7</td>
<td>32.9</td>
<td>27</td>
<td>29.8</td>
</tr>
<tr>
<td>Year 3</td>
<td>11.1</td>
<td>18.2</td>
<td>15.7</td>
<td>11.8</td>
<td>11</td>
<td>20.6</td>
<td>14.7</td>
</tr>
<tr>
<td>Year 4</td>
<td>1.4</td>
<td>9</td>
<td>2.7</td>
<td>3.6</td>
<td>1.2</td>
<td>9.8</td>
<td>4.6</td>
</tr>
<tr>
<td>Total number of cases</td>
<td>431</td>
<td>510</td>
<td>415</td>
<td>416</td>
<td>344</td>
<td>486</td>
<td>434</td>
</tr>
</tbody>
</table>
An interesting pattern was also found for, so to say, "regression of loyalty": for each of the six product categories the share of households that have been solely loyal in a category in one year is significantly higher than the share of households that have been solely loyal for two years, which in turn is significantly higher than the respective share of households that have been solely loyal for three years, which is higher than the share of households that have been solely loyal in the category for the entire four-year period. When the data is averaged for all categories, we receive roughly the proportion 51: 30: 15: 5 (see. Table 4, last column).

SUMMARY AND CONCLUSIONS

The main findings of the analysis on the purchasing behaviour of households in the six categories of non-durable products are as follows:

1. Solely loyal households account for a significant share of the households surveyed for all product categories and years studied.
2. Solely loyal households have a disproportionately smaller share of total household consumption compared to their number.
3. The proportion of solely loyal households is relatively high compared to numbers observed for sole loyal buyers on individual level.
4. The market power of solely loyal households varies strongly by categories.
5. A pattern of synchronic/cross-category sole loyalty is observed: some households are in a state of sole loyalty in several product categories at the same time.
6. A pattern of diachronic sole loyalty is observed - some households continue to be solely loyal in the relevant product category over the years.

The phenomenon of solely loyal households should neither be overstated, nor overlooked. It is interesting to further explore the justifications of these households for being solely loyal. One such study may serve as a source of ideas for the implementation of a specific marketing approach to the solely loyal households. The presence of synchronic and diachronic sole loyalty could likely be used in marketing management provided that it has the appropriate databases on households which exhibit such loyalty.

LIMITATIONS OF THE STUDY

One of the main limitations of the study lies in the short time series that have been examined. Longer time series need to be studied in order to see if the patterns observed have the nature of regularities or are just random phenomenons. Another constraint of the current study is the limited number of product categories included that prevents us from making broader generalizations.

References

Brown, G. H. (1953), „Brand Loyalty: Fact or Fiction?“, Advertising Age, Vol. 23


Tourists’ destination image of Halkidiki: a segmentation analysis

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Abstract
This study segmented international tourists visiting Halkidiki, based on their perception of Halkidiki’s destination image. In order to measure international tourists perception of Halkidiki’s destination image, 17 cognitive components were used, and data was collected by means of a structured aided self-administrated questionnaire among 430 international tourists in the municipality of Kassandra, and specifically from the regions of Kallithea, Hanioti, Kriopigi, and Sani. Data analysis included frequencies, percentages, means, factor, cluster analysis and chi-square tests. Factor analysis of the cognitive components identified 7 factors, interpreting 70.2% of the total variance, which thereafter were cluster analysed. Three distinctive clusters were obtained based on destination image factors, which were statistically different with tourists’ socioeconomic and demographic characteristics and specifically nationality, marital status, education, profession and income. The findings of this research offer important practical implications for promoting Halkidiki’s destination image.

Keywords: destination image, segmentation, perceptions, marketing, Halkidiki Greece

1. INTRODUCTION

Many studies can be found on destination image focused on Greece as a country (e.g. Baloglu & Mangaloglu, 2001; Baloglu & McCleary, 1999). Other focused on particular areas of Greece. Such studies focused on destinations such as Pertouli (Kokkali et al., 2011); Nauplio (Mamalis et al., 2009); Islands such as Mykonos (Kamenidou et al., 2009a); and Ios (Stylidis et al., 2008); Samothrace (Dermetzopoulos et al., 2009), etc. Moreover, regarding Northern Greece, the most important tourist destination area is Halkidiki. To the researchers’ knowledge there are no published studies focusing on Halkidiki's image as a destination. Halkidiki is a distinctive three-pronged peninsula. The three prongs are Kassandra, Sithonia and Athos. The latter is an independent administrative (self–governed) district. Tourism is an important industry in Halkidiki, significantly contributing to the country’s economy. With a decreasing agriculture industry, tourism and related businesses are a major source of sustained economic growth and job creation. Halkidiki has many advantages in the competition for tourists compared to other northern destination areas (i.e., attractions, scenic areas, beautiful shoreline that is unmatched in Greece) and a broad range of facilities to serve the tourists (Koroni and Study Group, 1993; Kaminaris and Study Group, 1994).

Under this context, this research is exploratory in nature. It aims to segment international tourists based on their perceptions of Halkidiki as a destination. Furthermore, the objectives of this study are to explore also tourists’ visitation to Halkidiki as a destination area; and tourists’ information source about Halkidiki.

This research is considered of great importance for Greek and local authorities as well as the bodies of tourism planning policy. This is because it is the first attempt to record international tourist perceptions of Halkidiki as a destination image. Literature states (e.g. Hernández-Lobato et al., 2006) that it is vital for destinations (i.e., Halkidiki) to identify the image that they project in order to make strategic and marketing decisions for long-term growth. Furthermore, destination managers and policy makers can gain a better knowledge of the different market segments based on the requests, needs and benefits sought. Gaining a clear understanding of each segment will help in order to build the appropriate strategies for revisit and for attracting potential visitors (Priporas et al., 2012; Kamenidou et al., 2009b).
2. DESTINATION IMAGE RESEARCH

There is a plethora of research regarding destination image falling in various aspects of destination image research. Since this study uses cognitive variables to measure destination image, and proceeds to tourist segmentation, literature review will be limited to these studies. Pena et al., (2012) identified and validated the dimensions involved in the formation of the cognitive image of a rural tourist destination. The dimensions of destination image were: Characteristics of the rural tourist destination, characteristics of the service offer, cultural offer, and offer of activities in nature, local products and gastronomy offer. Mohamad et al., (2012) examined the association between destination image and future behavioural intentions of international visitors to Malaysia with a sample of 1007 foreign tourists. Data analysis employed multiple regression analysis and results indicated that perceptions of Malaysia’s attractions, accessibility and available package, heritage attraction and natural attraction are significant predictors of intentions to revisit and to recommend the specific destination. Kokkali et al. (2011) investigated tourists’ cognitive and affective components of rural tourist destination image and specifically Pertouli Greece. 25 items were used in the study and five factors derived. The five factors were labelled as “Environmental-friendly activities”, “Culture and scenery”, “Local products and entertainment”, “Weather and environment” “Facilities”. Stylidis et al. (2008) found that Ios has a very strong destination image as a party island, with the majority of the visitors being international young students coming to enjoy the relaxing atmosphere and the party mood of the island. Kim and Yoon (2003) developed and tested a model for measuring a tourist destination image comprising of affective and cognitive components. Using LISREL and second-order factor analysis, findings confirm that destination image can be operationalized as a second-order factor model that includes an affective image (AI) and a cognitive image (CI), and suggest also that the affective construct has more impact on building destination image than does the cognitive construct. Baloglu and McCleary (1999) in their study of identifying what influences image development, provided a framework for studying the forces guiding the formation of destination image and proposed relationships among the different levels of evaluations within its structure (cognitive, affective, and global), as well as the elements determining these evaluations. The cognitive components used were 17. Results showed that a destination image is formed by both stimulus factors and tourists' characteristics.

Existing segmentation studies based on destination image are rather limited. Assaker and Hallak (2013) segmented European visitors to Mediterranean destinations based on moderating effects of tourist novelty-seeking tendencies on the relationships among destination image, satisfaction, and short- and long-term revisit intentions. Chen and Lin (2012) segmented tourists based on the familiarity characteristic. The research suggests that familiar tourists should hold more favourable destination images and higher visiting intentions than unfamiliar potential tourists, assumption that the results confirm. Prayag (2012) clustered visitors to Mauritius according to socio-demographic characteristics and their influence on destination image and loyalty. The researcher also found that different image attributes predict visitors’ revisit and recommendation intentions. Assaker and Hallak (2012) using CHAID analysis segmented European visitors on their likelihood to revisit selected Mediterranean sun-and-sand destinations. Lima et al., (2012) segmented tourists in a Portuguese mountain destination according to their expenditure levels and patterns. Four distinct segments were identified, showing statistical significant differences regarding their economic relevance for the destination, socio-demographic profile, and trip behaviour. Konu et al., (2011) segmented 1529 visitors from 5 Finnish ski resorts according to ski destination choice attributes. Six different customer segments derived using factor analysis and cluster analysis: passive tourists, cross-country skiers, want-it-all, all-but-downhill skiing, sports seekers, and relaxation seekers. Kamenidou et al. (2009a) investigated the image that tourists hold for the island of Mykonos. Their study segmented 224 tourists based on choice criteria and attitudes by using 36 image destination components. Nine factors were identified and 4 clusters of choice criteria for visiting Mykonos were produced.

Bozbay and Ozen (2008) investigated the image that Greece holds as a tourism destination from 1023 Turkish potential tourists and segmented participants into sub-groups according to their intentions to visit Greece. They used multiple discriminant analysis in order to find whether the four consumers’ segments evaluations vary regarding destination image of Greece. Results showed that the four groups had different perceptions of Greece’s destination image.

3. RESEARCH METHODOLOGY AND DATA ANALYSIS

Research was undertaken in three stages. First phase: qualitative research was applied through 16 in-depth interviews. In all depth interviews, the same simple questionnaire was used, developed specifically for this research. The results of the qualitative research, as well as exact phrases were used to structure the field questionnaire, and especially the ones that
referred to the destination image components. Each depth interview lasted about 45 minutes. The tourists that took part in the qualitative research (in depth interviews) were picked at convenience, caring though that they will vary in socioeconomic and demographic characteristics. The second phase included questionnaire development and pre-test. The proposed attributes and dimensions of Halkidiki—were based on qualitative research, expert opinions, and previews studies (Beerli and Martin (2004a,b); Baloglu and McCleary (1999); Chen and Lin, (2012), Chi and Qu (2008); Chon (1990a,b); García et al. (2004), Hernández-Lobato et al. (2006); Kamenidou et al. (2009a); Mamalis et al. (2009), Ozdemir, Aksu, Ehtiyar, Çizel and İçigen (2012); Pena, Jamilena, and Molina (2012), Prayag (2012), after making the required changes so it would respond to the subject and the area being studied. The questionnaire was pre-tested the questionnaire was modified and took its last form the second half of May 2011. The third phase consisted of the field research undertaken from the 15th of July 2011 to 15th of September 2011. The location of the under study area was Kassandra and specifically: Kallithea, Kriopigi, Sani and Hanioti. This area was chosen basically because it is the most popular tourist destination in Halkidiki and is differentiated from the other areas concerning nationality of tourists, nightlife and variety and quality of activities. All questionnaires were given to the interviewees personally by the researchers which were on site in case the participants needed any explanations. Throughout the questionnaire completion, the interviewees remained free to raise interesting subjects regarding Halkidiki as destination area. 430 questionnaires were distributed. The number of valid questionnaires gathered was 382, representing an overall response rate of 88.8%. This number was considered sufficient for the aim and objectives of the study, as well as the statistical analysis employed (Hair et al. 2010).

Data analysis included descriptive statistics, reliability, and factor analysis through the Principle Component Analysis (PCA) method with Varimax rotation in order to produce a smaller set of variables. Additionally, it included cluster analysis (hierarchical and K-means) in order to perform visitor segmentation based on destination image.

4. RESULTS

4.1 Sample profile

The total number of valid questionnaires gathered was 35.5% from Kallithea; 18.1% from Kriopigi; 28.5% from Hanioti and 20.9% from Sani. The sample’s nationality was mainly British, German, Russian, and French, and 12% fell in various countries, in and out of the European Union. As to gender, 51% of the sample was males and 49% females while participants’ age in majority ranged from 26-35 (38%). Regarding marital status, 39% were single; 45% married and the rest 16% divorced/separated or widowed. Most respondents had higher education, meaning at least a bachelor degree (46%) and regarding occupation were professionals or business staff (40%). Lastly, regarding their annual family income, 63% had annual income up to 40000.00€, 32% ranging from 40000.01-50000.00€, and 5% had an annual income of 50000.01 +€.

4.2 Visitation to Halkidiki, and information sources

Thirty five per cent of the participants had visited previously Halkidiki (mostly other areas), and 65% were first-time visitors. Purpose of their visit was for the 63% their annual vacation, 29% for pleasure and 8% for business. As from where they obtained information about Halkidiki, tourists stated: 58% from tour operators and tourist agencies; 22% from the internet; 12% from friends; 7% from past experience; and other sources for the 1%.

To measure the destination image of Halkidiki, 17 cognitive components were used. Participants were asked to point out their perception of each component reflecting the destination image of Halkidiki on a 5-point Likert type scale whereas 1= very unfavourable perception up to 5= very favourable perception following Baloglu and McCleary (1999). A 5-point scale was used since the 7-point scale can have a cross-cultural bias given that people from different cultures may interpret the answer options systematically differently (Prayag, 2012). The Cronbach Alpha measure was estimated in order to investigate the repetitiveness of the answers on a statistical basis. Although the Cronbach Alpha was not above the 0.7 benchmark, (α=0.650), it was considered satisfactory, due to the exploratory nature of the study and the heterogeneous culture of the sample (Spector, 1992, pp. 34).

4.3 Segmentation analysis

The 17 cognitive components of Halkidiki’s destination image were then factor-analyzed (PCA varimax rotation) for variable reduction. Seven factors derived (K.M.O. = 0.583; B.T.S=1479.841; df=136; p= 0.00) accounting for 70.2% of the Total Variance (T.V.), with total reliability of the scale, α=0.650. These factors were named as: “Sea and Sun”; “Accessibility to Halkidiki”; “Accommodation experience”; “Attractions and entertainment”; “Cleanness and safety”; “Value for money” and “Attitude of local people”. These factors were treated as new variables for segmentation analysis,
whereas cluster analysis was employed. First hierarchical cluster analysis was performed in order to investigate the number of clusters that will emerge, and continuously K-means cluster analysis was performed (Hair et al., 2010). The analysis resulted in a three cluster solution. Multivariate statistics indicated statistical significant differences between the three clusters, where 5 out of 7 factors contributed to differentiate the three international tourist clusters. Each segment’s Final Cluster Centers (FCC), the sample size, and the results of the ANOVA test is presented in Table 1.

Table 1: Tourist segments of Halkidiki based on destination image components

<table>
<thead>
<tr>
<th>Destination image factors</th>
<th>1st cluster, n=72</th>
<th>2nd cluster, n=45</th>
<th>3rd cluster, n=265</th>
<th>Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sea and Sun</td>
<td>4.06</td>
<td>4.54</td>
<td>4.40</td>
<td>F=12.830 (p=0.000)</td>
</tr>
<tr>
<td>Accessibility to Halkidiki</td>
<td>3.66</td>
<td>4.39</td>
<td>4.00</td>
<td>F=21.911 (p=0.000)</td>
</tr>
<tr>
<td>Accommodation experience</td>
<td>4.34</td>
<td>4.53</td>
<td>4.41</td>
<td>F=2.504 (p=0.083)</td>
</tr>
<tr>
<td>Attractions and entertainment</td>
<td>4.13</td>
<td>3.89</td>
<td>4.12</td>
<td>F=2.107 (p=0.123)</td>
</tr>
<tr>
<td>Cleanliness and safety</td>
<td>3.43</td>
<td>2.02</td>
<td>4.54</td>
<td>F=562.555 (p=0.000)</td>
</tr>
<tr>
<td>Value for money</td>
<td>3.78</td>
<td>3.17</td>
<td>4.13</td>
<td>F=25.706 (p=0.000)</td>
</tr>
<tr>
<td>Attitude of local people</td>
<td>4.28</td>
<td>4.91</td>
<td>4.75</td>
<td>F=238.519 (p=0.000)</td>
</tr>
</tbody>
</table>

Sample size: n=382

Cluster I: **Tourists with moderate favourable perception of Halkidiki’s destination image.** The first cluster represents 18.8% of the total sample size, and has a positive image for 3 (FCC>4.00) out of 7 factors measuring destination image of Halkidiki. This cluster does not tend to be very favourable (FCC>4.51) towards any destination image component of Halkidiki supporting the name of the cluster as tourists with moderate favourable perception of Halkidiki’s destination image.

Cluster II: **Tourists with moderate to high favourable perception of Halkidiki’s destination image.** The second cluster represents 11.8% of the sample and has a positive image for 4 (FCC>4.00) out of 7 factors measuring destination image of Halkidiki. From these 4 factors, the 3 have FCC>4.51, indicating a tendency towards very favourable perception towards Halkidiki’s destination image components, supporting the clusters’ name.

Cluster III: **Tourists with overall favourable perception of Halkidiki’s destination image.** The third cluster represents 69.4% of the total sample size. This cluster does not have any FCC<4.00. They are tourists who have positive perceptions towards all cognitive factors measuring perception of Halkidiki’s destination image and thus support the clusters name as “Tourists with overall favourable perception of Halkidiki’s destination image”.

Additionally, Chi-square tests (cross tabulation) between clusters and tourists’ socioeconomic and demographic characteristics revealed that in five cases statistical significant differences exist: nationality ($\chi^2=71.402$; $p=0.000$), marital status ($\chi^2=12.61$; $p=0.000$), education ($\chi^2=64.068$; $p=0.000$), profession ($\chi^2=66.046$; $p=0.000$) and income ($\chi^2=43.481$; $p=0.000$).

### 5. DISCUSSION – CONCLUSIONS

Findings revealed that regarding the purpose of visit, tourists came to Halkidiki mainly for their annual vacation and pleasure, while only 8% for business. This implies that Halkidiki is considered a typical “sea and sun” destination. This finding is consistent with Baloglu & Manganoglu (2001) findings, which found that compared to Turkey, Egypt and Italy, the second image component regarding Greece was “sunshine, blue skies, and beaches”. Therefore, the tourist authorities of Halkidiki should, furthermore, try to promote the area as a destination for business conventions during the summer (or off season). This study also revealed that most tourists had as information source, mainly tour operators and tourism agents (58%). This indicates that the “the tourism price package” is considered very important by tourists, and point of promotion should be different packages and prices aiming at different income segments. A very interesting finding is that 65% were first time visitors and 35% had previously visited Halkidiki, mainly other parts of the peninsula. This finding shows that Halkidiki has all the qualifications to be a “permanent” tourist destination if appropriate actions are undertaken. Segmentation on the derived cognitive destination image factors arose 3 tourist segments. These segments are a valuable source of information regarding tourists’ perceptions of Halkidiki’s image as a destination. These segments reveal which cognitive factors need improvement and can be considered drivers of change as well as the points of the marketing mix that marketers can focus on in order to gain a larger market share.

The study has contributed to the practical improvement of the performance of the tourist industry in Northern Greece and specifically, Halkidiki, by segmenting tourists on destination image. Although there was an attempt to minimize limitations when designing this research, some still exist and need to be mentioned. Furthermore, they could provide guidance for
future research in the sector. First of all, the outcomes of this study may not have represented all tourists visiting Halkidiki, since a non-probability sampling process was used to gather the data. Furthermore, the study was conducted in one out of 5 municipalities of Halkidiki, thus, future studies that would include more municipalities and areas in order to validate the findings. Also, this study was carried out before the demonstrations against Eldorado Gold in the municipality of Aristotelis started, so another variable could be added, the “political stability”. Another limitation was that the research collected its sample from 4 and 5 star hotels, thus, the sample could not be representative of all the tourists visiting Halkidiki. Despite the current limitations, the findings of the present study provide practitioners and academics useful insights and a better understanding of the current nature of the demand of Halkidiki as a tourist destination, where a paucity of research has been observed. Therefore, local authorities and the central government should focus on creating a favourable image of Halkidiki, since it is of great economic importance for the area as well as for Northern Greece.

References


http://jtr.sagepub.com/content/early/2013/02/28/0047287513478497.full.pdf+html


Social Media Unified Process

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Abstract:

Social media is changing the nature of marketing by utilizing the power of Word of Mouth through a bottom-up approach, user commitment and crowd-sourcing. The utilization of social media for reaching out to a specific target group involves the creation of a social media strategy and the exploitation of the suitable social media for gaining added value against competitors. The development of the company's presence is described mostly in terms of a marketing campaign. From the software engineering perspective it can be viewed as a project with a lifecycle similar to a software product. Combining the two fields, a social media campaign can benefit from an iterative and incremental development process, which for software is outlined by the Unified Process. In this paper we describe how the Unified Process can be used for Social Media, merging marketing with information technology, using proven methodologies of software engineering. Finally we proposed a new Social Media Unified Process (SoMeUP) model.

Keywords: Social Media, Unified Process, Software Engineering, Marketing, Social Media Project

1. INTRODUCTION

Advances in ICT have created continues changes in traditional markets and have brought opportunities and challenges for many organizations. In particular, the rise of social media has created new marketplaces and/or tools for marketers (Akar and Topçu, 2011). Consumers are adopting increasingly active roles in co-creating marketing content with companies and they publicize and share their product experiences and opinions. Then marketers can strategically stimulate consumer postings. By becoming more award and knowledgeable of their reviews, firms can make profitable use of applications such as Wikipedia, YouTube, Facebook and Twitter and many others. Social media comes in many forms such as Blogs, Microblogs, Social Networks, forums, Media-Sharing Sites and social bookmarking (Kim & Ko, 2012) and the number of users of this type of services is increasing every year. Facebook registers 1,19 billions of active users per month, Gmail has 425 millions of users, Groupon 43 millions, on Wordpress there are 66 million blogs and the users on You Tube in a number of 1 billion bring 4 billions of visualizations every day (Smith, 2013).

Nielsen Company (2012) reported that 46% of online users use social media when making purchase decisions online. 86% of companies are using social media for marketing and particularly to understand markets and for communicating with customers (Forbes, 2013). Moreover, they are looking for online social marketing programs and campaigns in an effort to reach consumers where they ‘live’ online. Big brands make use of the social media to convey their strong existence and friendly customer relationship.
Furthermore, social media provide a platform for consumers to interact, publicize and share their product experiences and opinions (Yubo Chen et al., 2011). Consequently, consumers had received a voice and the companies created various channels to collect and understand the requirements of these voices. The volume and valence of online consumer voices significantly impact product sales (e.g., Chen, Wang, and Xie 2011), firm marketing strategies and purchase behaviors. Enterprises have realized the huge impact that social media has on marketing activities. Thus, they increase their online budgets for advertising and marketing their products and services in the digital era, while they lower the budget for the traditional marketing tools (Kazim Kirtis and Filiz Karahan, 2011).

However, the challenge facing many companies is that although they recognize the need to be active in social media, they do not truly understand how to do it effectively. Firms are looking for more innovative and cost effective ways to market their products or services and they are paying more attention to social media as a powerful survival tool, but they do not know what performance indicators they should be measuring, and how they should measure them.

The utilization of social media for reaching out to a specific target group involves the creation of a social media strategy which will be in alignment into a firm's marketing communications strategy.

This development effort can be considered as a continuously evolving project, in which the requirements and its design are redetermined from the public impact. Seen as a product its lifecycle can be managed through a well defined development process. In order to reach the goals set by the company, multiple cycles of specifying social media actions, creating, and deploying them are needed. If these are done in an iterative manner, at the end of each cycle the success can be measured by both quantitative and qualitative metrics, in order to create the proper actions of the next iteration. Thus the vision which orchestrated the social media strategy can be met in an incremental way. This can be managed, with terms of software engineering, as an iterative and incremental software development process. The existing paradigm of the Unified Process and its variations can be ported for the needs of social media marketing. The same benefits against the traditional waterfall approach apply also in our case of a running social media marketing campaign.

Our contribution to this field of research is to create a formal development process, in terms of software engineering, for the need of social media marketing campaigns, thus providing marketers with new tools and practices. We propose the Social Media Unified Process, a development process customized to the needs of Social Media, which can manage the lifecycle of a continuously evolving social media project (SMP). It is a combination of existing methodologies of software engineering, technical knowledge of web 2.0 information technology and marketing techniques used to serve the business strategies. This provides practical recommendations for designing effective marketing campaigns and a systematic way of understanding and conceptualizing online social media strategy. The rest of this paper is structured as follows: In Section 2, we present the literature review and related work. Section 3 will describe the basics of the Unified Process and discuss the proposed model. Section 4 concludes the paper and discusses limitations of the research and the directions of our future work.

2. LITERATURE REVIEW

Recently the Information and Communication Technologies (ICTs) provide opportunities, such as social media, to connect people together in a totally different fashion than before and also to shape artificial intelligence prototypes that can evoke tacit opinions by customers (Siakas et al., 2014b). There are different types of social media tools that could be useful for informal dissemination and exploitation. Many authors identify several types of Social Media: collaborative projects, blogs and microblogs, virtual communities, socializing networks, the virtual world of games. (Foster, et al., 2010; Kaplan and Haenlein, 2012). All these tools are supportive for personal and commercial interaction usually to very low cost or without any added cost (Colomo-Palacios, 2014).
Social networks consist of online social media platforms, services, or sites with focus on building and maintaining social relations among people who share common interests, activities, backgrounds or real-life connections. Social networks are communities developed from the bottom-up (Balogh et al., 2013). They have clear boundaries – you are either a member or not. They capitalise on Wisdom of Crowds. The more people add their knowledge to a social media (eg. Wiki) the more useful it becomes. An emergent challenge is tapping collective explicit and tacit knowledge and intelligence of users (customers and consumers) by social media networks and thus reaching beyond the conventional boundaries of the organisation. Users’ tacit knowledge can for example be tapped through reflection in practice by launching prototypes for user tests before the product is launched on the market (Siakas et al., 2012). Another key factor in tapping collective knowledge is the leverage if disparate assets of people from different cultures, different disciplines and different organisations.

As the social networking applications become more widespread, with billions of people having access to a variety of social media, the ability of the word to share and connect is infinite and companies are now allowed to create a customer experience never before done in the past. Projects and products can benefit from engaging in social media within various aspects of their work. Social media offer a range of tools which can facilitate finding, using and disseminating information. Social media can open up new forms of communication and dissemination. It has the power to enable engagement in a wide range of dissemination activities in a highly efficient way (Georgescu and Popescul, 2015). Current trends in digital media focus upon crowd-sourcing, collaboration and bottom-up approaches and collaborative content creation (Ernestad and Henriksson, 2010).

Professional social networks provide a platform for communities of practice. The purpose of such communities is to bring people who are interested in a specific area together, by promoting acquisition and accumulation of knowledge. Professional social networks are also used by organisations as internal communication tools for bringing together distributed employees through the use of blogs, events, bookmarks, and community. Another contemporary use of social networking includes open innovation, which facilitates user participation in the ideation stage of innovations (Siakas et al., 2014a). An emergent challenge is tapping collective explicit and tacit knowledge and intelligence of users (customers and consumers) by social media networks and thus reaching beyond the conventional boundaries of the organisation. Users’ tacit knowledge can for example be tapped through reflection in practice by launching prototypes for user tests before the product is launched on the market (Siakas et al., 2012). Another key factor in tapping collective knowledge is the leverage if disparate assets of people from different cultures, different disciplines and different organisations.

Several papers focused on researching the role of social media and social networking in business environment (Moreno et al., 2014). Goetz, (2014), Mangold and Faulds, (2009) pointed out the significant role of fostering engagement opportunities online for targeted groups of a product or a service. Georgescu and Popescula (2015) underlined that Social Media supports the informational capitalization by spreading the information about the organization with ease as well as by acquiring valuable information and in considerable quantity about employees, suppliers and clients. They might offer essential data about a business without the need to pay expensive publicity. Berger and Messerschmidt, (2009) have been giving more attention to organization-sponsored communities and their potential. Consumers use these communities to research new products and form relationships and because of it organizations sponsor online communities that facilitates word-of-mouth about their product. Moreover, Word-of-mouth being an important tool of communication, social media can access and benefit from it. Besides, the development of target groups and issue-by-issue advertising and promotion are available at a lower cost (Hun, 2010). Jansen et al.(2009), Li et al. (2013), Culnan (2010), Kim and Ahmad (2013) analyze the corporate image impact of all interactions related to a brand created over the Twitter channel. Due to its advantages social media considered that it has become the most preferred marketing driver (Kirtis, and Karahan, 2011).

Nowadays, almost every company relies on SM as a communication channel and makes use of the opportunities provided by new media (Papaoannou et al., 2014). However, as companies develop social media strategies, platforms such as YouTube, Facebook, and Twitter are too often treated as stand-alone elements rather than part of an integrated system (Hanna et al, 2011). Kaplan et al. (2010) highlighted the need for the integration of SM with the traditional media to reach customers more efficiently. The problem for the companies is the creation of a social media strategy which will be in
alignment into a firm's marketing communications strategy. The main aim of this research work is to provide marketers with a framework that highlights the process of creating a social media strategy.

3. SOCIAL MEDIA UNIFIED PROCESS

3.1 Incremental and iterative software development: The unified process
The incremental and iterative development (Larman, 2003) is a practice in modern software engineering that is described in various models of software development processes. The main concept is that software products have a lifecycle starting with the phase of the products’ inception and ending at the phase of its retirement. The project deliverables, like application executables and documentation, are built incrementally in repeated iterations of work activities. A popular incremental and iterative process that best describes this practice is the Unified Process (Jacobson, 1999). Each iteration cycle is divided in four basic phases:

- **Inception**: In this phase the ideas are formulated into requirements which are then specified.
- **Elaboration**: After the inception the requirements are analyzed and the solutions are designed.
- **Construction**: Following Elaboration the designs are implemented and tested.
- **Transition**: Finally the project deliverables are released and their functionality is evaluated. This is also a part of preparation for the next iteration cycle.

Each relative item of the project is considered an artifact, for example a piece of source code or a formal requirement specification. These artifacts are organized in disciplines which are relative to specific aspects of the product lifecycle. In each discipline there are workflows in which actions are performed on the artifacts by actors, the persons involved in the process. The same actor can have multiple roles in different aspects of the process. There are many variations of the unified process, notably the IBM / Rational Unified Process (RUP) (Kruchten, 2004) the Enterprise Unified Process (EUP) (Ambler, 2005) the Agile Unified Process (AUP) (Christou, 2010) and the Open Unified Process (OpenUP) (Balduino, 2007). Each one describes different disciplines, artifacts, workflows, actions and actors. Based on the best practices of these existing processes, we propose a new Unified Process the Social Media Unified Process (SoMeUP), customized for social media development, which imports social media marketing aspects.

3.2. The social media unified process SoMeUP

![Image 1: The Rational Unified Process (Kruchten, 2004)]
The traditional social media marketing (SMM) approach is to create requirements based on business plans, design and implement a number of social actions (SACTs), deploy them and control them through social media managers. This is similar to the waterfall model in software development (Pfleeger, 2010) that is nowadays obsolete due to its inflexibility and poor management of quality. The outcome of one SMM action in a specific social medium, do not provide any feedback for other actions on other media, running in parallel to achieve the same predefined goals. Also the SACTs do not provide the flexibility to make targeted modifications in the campaign, during the course of advancements. In our proposal a social media marketing campaign is treated as a social media project (SMP). Members of this project are marketing executives, information technology and software engineers which cooperate with graphic artists, web designers and other actors. The roles and workflows of each actor are described in a SoMeUP Toolbox, which contains the specification of all aspects covered by our proposed process. Each different company or SMP can have its own tailored process picking from the available items in the toolbox and defining custom iteration cycles. The SMP can be treated as one continuously running project, because of the evolving environment of modern social media. In its "perpetual" lifecycle there are supporting procedures for the management of the project, its synthesis and the revisions to its artifacts. Also the needed work environment for the campaign is managed, describing a configuration of tools and used marketing methods for creating social media actions.

The SoMeUP can be summarized in the following disciplines:

- Business Modeling
- Requirements Analysis & Design
- Implementation & Test
- Publicizing & Measurement
- Synthesis & Revision Management
- Project Management
- Development Environment

The first four are the basic and the three last are the supporting disciplines of the Social Media Unified Process. Below we outline each discipline of our process.

### 3.2.1 Basic Disciplines

#### 3.2.1.1 Business Modeling

The Business Modeling discipline is recording the current state of the business and identifying the goals of the company. Its workflow tries to model the business processes in respect to the social media presence. This captures the existing actions on the company's products in terms of marketing and the existing status of the brand name in terms of brand management (Kapferer, 2012). The company's vision and objectives are also defined and the requirements of the business stakeholders are elicited. This discipline also records the needs of the customers, market trends and other information that describe the existing marketing state and the current competitive environment. Two important actions are used to identify the core competence of the company and the social media presence of the competitors. The constraints set by the business are captured as artifacts, during the inception phase of initial iteration cycles or later through feedback of running SACTs.

#### 3.2.1.2 Requirement Analysis & Design

After the goals have been specified, they are analyzed by the Requirement Analysis & Design discipline. The workflow creates the formal requirements specification for the SMP. In this stage a decision on a rebranding through social media may be taken and analyzed through the corresponding actions. The business constraint artifacts are used to analyze the business etiquette. This term implies the mentality of the communication between the company and the social media users...
and the desired moderation of comments and discussions that take place in the company’s social media space. The main artifact under this discipline is the *social media rule book*, in which the possible interactions on social media are analyzed and the predefined response outlines are designed. In this type of preemptive work all negative outcomes of a social media campaign are handled in the context of enterprise risk management (Nocco, 2006).

### 3.2.1.3 Implementation & Test

With the requirement artifacts created through analysis and design, the deliverable artifacts are created under the Implementation & Test discipline. The creation of branding artifacts, during rebranding, is done by actors like graphic artists and web designers which redesign the company's logo, website or improve the aesthetics of the company's web 2.0 presence. Creating the SACT artifacts includes writing text by advertisers and marketing experts and multimedia by various types of artists like directors or music composers. Our proposal includes the retesting of the SACTs before releasing them. This can increase the quality of the deliverables, exactly like testing in software products. The SACT unit testing starts with a simple spell and syntax check and includes a cross-check with the demands captured in the project requirements. One SACT must be relevant to the needs of promotion and branding, having a simple and understandable content. The SACT acceptance retesting is done by the marketing executives contrasting the implemented actions with the social media rule book and checking if the content is informative, original or even unprecedented. Also preemptive checks are implemented, that can detect early a negative response to the SACT. This strategy is supplemented by the action of preparing proper mitigation SACTs that can be released when the negative response is detected.

### 3.2.1.4 Publicizing & Measurement

The Publicizing and Measurement discipline includes all the tasks for releasing a SACT to the public and measuring its impact. The action of scheduling the release determines when our action will reach the social media users. This can happen at specific scheduled time or after a trigger defined as an artifact of the SoMeUP process. The release action is the posting of a SACT in the social media and activation of the promotion campaigns. The measurement actions include various quantitative and qualitative metrics to monitor the reach and impact of the campaign. These may include Web Intelligence (Zhong, 2003) (Zhong, 2007) technologies, like Sentiment Analysis (Martínez-Cámara, 2014) & Opinion Retrieval (Bucur, 2014), which can be used to measure the negative or positive effect of a SACT. If a negative sentiment is detected and fits a predesigned check the mitigation action is immediately released. This can also lead to changes in all previous disciplines, with upcoming SACT redesigned or adjusted according to the feedback. This is one of the advantages of our iterative and incremental development process, in which an important change in any discipline or phase may trigger changes in any other.

### 3.2.2 Supporting Disciplines

#### 3.2.2.1 Synthesis & Revision Management

To monitor the social media and the changes that span across artifacts of the first four basic disciplines, a Synthesis & Change Management discipline is introduced. The synthesis artifacts describe the constellation of social media that the business is currently active and which SACTs are pending or running for them. Revision artifacts are recording a change in one artifact and linking with a chain of needed modification to others. The content of the change is also recorded, which provides accountability for each SACT. Any errors can be corrected through a history of changes and the capability of rolling back to earlier versions.

#### 3.2.2.2 Project Management
To support the whole process and each SMP, the Project Management discipline describes the needed organizational workflows. The scheduling of each SMP and its completion is monitored and maintained as artifacts. The human resources managers assign employees, associates and collaborators as actors of the SoMeUP with the proper roles. The managing of the project resources, like the advertising budget, is also included in this discipline. An amount for promotional advertising can be assigned to each SACT, in a specified business workflow that should be followed.

3.2.2.3 Development Environment

The Development Environment discipline provides the proper tools, methods, applications and infrastructure for the social media development. Used tools like graphics or video software packages used in in-house productions, are certified in an artifact and linked to the producing actors. The needed infrastructure for the development of social media in the business is deployed in an inventory of servers, operating systems, networking capabilities, computing cloud services and mobile devices.

4. CONCLUSION AND FURTHER RESEARCH

As the Web plays an important role in people’s social lives, the utilization of social media by companies has been popularized. However, the challenge facing many companies is that although they recognize the need to be active in social media, they do not truly understand how to do it effectively.

Even if there is a significant interest in social media marketing, there is little notable work involving the creation of a social media strategy. Moreover, the majority of the studies in this area approaching the subject or from the perspective of marketing or just from computing point of view. In this paper we combined the two fields. From the software engineering perspective a social media marketing campaign can be viewed as a project with a lifecycle similar to a software product. We describe how the Unified Process can be used for Social Media, merging marketing with information technology, using proven methodologies of software engineering. The output of this work is the new Social Media Unified Process (SoMeUP) model, a development process that provides marketers with new tools and practices.

Currently, the authors are working on several implementations in order to improve the SoMeUP model. They are testing a real case scenario for checking the model’s performance and the success of the social media strategy.

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References


New product development in a low-tech knowledge-intensive framework: insights from GSF, a University-industry collaborative project

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Abstract

The paper sheds some light on an important but rather under-explored topic: the collaboration between low-tech, firms and universities. Whereas the motives, obstacles and impacts of university-industry collaborations are rather well empirically documented, the process of collaboration still remains poorly analyzed, there is scarce evidence considering low-tech industries and hardly any concerning the university perspective. The single case study method is used based on a New Product Development research project, the Green and Smart Furniture project, co-developed by a Technological Institute in Greece and a furniture firm. It actually focuses on the NPD and the capabilities of the research team to run the collaborative project successfully. Results indicate certain differences from the usual perceptions of R&D collaborations commonly studied within high-tech sectors. They further confirm the fact that low-tech innovation is based on various knowledge sources from different disciplines. Research teams have to establish trust and familiarity with low-tech firms, exercise strong managerial and technical capabilities as well as the ability to reach and creatively combine knowledge. NPD is dynamic requiring different degrees of commitment of the stakeholders. However, changes in culture of both sides seem to be imperative in order to promote fruitful knowledge-intensive collaborations within the low-tech framework.

Keywords: New product development, furniture industry, low-tech industry, University-industry collaboration, knowledge-intensive

1. INTRODUCTION

In the last few years a rich literature is emerging enhancing the role that traditional sectors play in modern economies and directing importance of innovation and technological change outside R&D-intensive fields (Hirsch-Kreinsen and Schwinge, 2011; Robertson et al. 2009). There is now a growing awareness that low-technology industries, which still make up a considerable share of production and employment in developed and developing economies, can be knowledge-intensive, develop knowledge-based innovation and invest in trans-sectoral knowledge seeking and learning (Hirsch-Kreinsen and Schwinge, 2011; Caloghirou et al., 2014).
Low-tech industries engage mainly in new product development and frequent changes of process technologies (Hirsch-Kreinsen, 2008, Robertson and Smith, 2008, Robertson et al. 2009). While a very small percentage of individual low-tech firms engage in R&D activities, the majority appear to apply mainly open innovation based on demand and absorption of acquired or created knowledge. Especially when referring to knowledge-intensive innovation, a common issue for low-tech is that processes translate knowledge to innovation; i.e. in-house knowledge is developed by including new knowledge and technologies that stand out from the resources of the existing sectoral system (Robertson and Smith 2008; Hirsch-Kreinsen and Schwinge, 2011). This can be scientifically-generated knowledge as well as new combinations of technical and practical knowledge which create innovation.

In general, low-tech firms are quite reluctant to co-operation with universities and public research organizations (e.g. Seggara-Blasco, 2010). However, low-tech firms of an innovative culture seem to be more willing to join common innovative efforts with scientific organizations, technology liaison offices, political institutions, associations, chambers of commerce and industry or also regionally focused support programmes.

Existing research on university-industry collaborations has mainly focused on high-technology issues regarding mainly firms of this category. Besides the arising interest in low-tech innovativeness, theoretically driven and empirically-based research exploring factors, processes, mechanisms, constraints or factors affecting university-low tech industry innovation projects remains relatively scarce.

2. LITERATURE REVIEW

Low-tech knowledge-intensive (LT-KI) firms tend to rely on complex knowledge bases (Hirsch-Kreinsen and Schwinge, 2011) instead of just embodied and codified knowledge (Robertson and Smith, 2008 for low-tech industries) in order to innovate. A significant feature of low-tech innovation is the engagement of many stakeholders all along the value chain in open innovation; knowledge often stems from various sources permeating through sectoral boundaries (Hirsch-Kreinsen and Schwinge, 2011; Robertson and Smith, 2008).

In many cases LT-KI firms do not just adjust or adapt to existing technology paradigms already developed in the more high-technology industries. They are also key users of high-tech ideas (Santamaria et al., 2009), and can contribute significantly to the development of technologies and knowledge diversification directed to new technological fields (Mendonca, 2009). These firms by being ‘lead users’ place special demands on new technologies and call for novel performance attributes that exceed the normal requirements of the average user.

Consequently, low-tech industries are often far more intensive as creators and users of knowledge than usually acknowledged, with cognitively deep and complex knowledge bases. Therefore, external knowledge sources such as machine manufacturers and suppliers, other firms, organizations and other actors play a decisive role in the innovation strategies of LMT firms (Heidenreich, 2009; Hirsch-Kreinsen, 2008; Grimpe and Sofka, 2009; Santamaria et al., 2009). Furthermore, empirical literature confirms the complementarity with high-tech industries, as initially pointed by Heidenreich (2009); KI-LT firms open new market opportunities for high-tech industries.

New product development constitutes the main activity of a firm to offer novel products, adapt products to the specific needs of different customers and market niches, and to actively promote and market the developed products/services. It can be R&D-driven or market driven or even a combination of the two in order to enter new market segments and stimulate
customer demand (von Tunzelmann and Acha, 2005). It has been called a key source of sustainable competitive advantage (Teece, 2007) for all industries and a core dimension of innovativeness (Laestadius, et al., 2005).

Danneels (2002) exploring product innovation considered NPD related to technical, customer, and managerial capabilities; a) technical capability enables the physical development of new products by understanding product technologies, evaluating the feasibility of product designs, testing prototypes, and assessing technical specifications; b) customer capability regards the marketing and commercialization of the new products; c) managerial capability is the ability to manage the NPD process.

All three capabilities appear to be more intense in cases of NPD collaborations and open innovation. In such cases, networking enables the formation of mutually beneficial business relationships (Protogerou Caloghirou and Karagouni, 2014). However, while networks with suppliers and machine manufacturers are quite usual in low-tech firms, co-operation with universities and public research organizations (e.g. Seggara-Blasco, 2010) is scarce and has been observed in cases of LT-KIE (e.g. Karagouni et al., 2012). University-industry collaborations have been studied from different perspectives (e.g. Perkmann and Walsh, 2007; Agrawal, 2001); authors have focused on firm characteristics such as absorptive capacity (Cohen and Levinthal, 1990), describe the collaboration process (Perkmann and Walsh, 2007) or significant factors such as trust and familiarity (Sherwood and Covin, 2008), and explore types and determinants of knowledge interactions (Schartinger et al., 2002) or examine the typologies of collaborative projects between SMEs and universities (Santoro and Chakrabarti, 2002).

However, it appears that “there is less effort by the Academia exploring university–industry collaboration in less tech intensive sectors” (Hervas-Oliver et al, 2012). Furthermore, research efforts that approach the issue either compare high to low-tech categories (e.g. Arundel and Geuna, 2004; Freitas et al., 2013) or include low-tech in other examined groups such as SMEs (Buganza et al., 2014) or the industrial dynamics of regions and countries (e.g. Schartinger et al., 2002). In general, researchers conclude that firms in mature industries collaborate with universities mainly to enlarge their general knowledge base by blending new and old technologies and facilitate higher levels of technology integration with embodied knowledge (Robertson and Smith, 2008; von Tunzelmann and Acha, 2005).

In sum, it appears that besides the increasing interest on the issue, there is no empirical research on how low-techuniversity–industry collaborative projects devoted to developing new products, are actually managed. Up to date, such collaborations appear to be rather self-evident. Our claim is that such collaborations are not static: they actually bare certain peculiarities regarding the process and the specific capabilities needed by the academic teams in order to end up with successful low-tech but knowledge-intensive innovation.

3. RESEARCH FRAMEWORK AND METHOD

The core of the research project under the name “GSF - Green and Smart Furniture“was the co-development of intelligent and purely ecological furniture that would provide a better experience of house life without overloading the users with technology. The project was developed by the Department of Wood & Furniture Design and Technology in Thessaly (Greece) and addressed mainly the furniture industry. Furniture industry is mature, highly fragmented and labour-intensive with many firms operating in a ‘craft’ production mode. Most firms cannot be considered as innovative even with the Schumpeterian concept of innovation (Karagouni et al., 2012). The sector plays still a significant role in the European
economy. The last decade it faces growing competition from low-cost, emerging economies and a growing number of technical trade barriers. Furthermore, it faces difficulties in accessing wood as a raw material and a dramatic rise in the price of materials such as leather, plastics, natural fibres and petroleum derivatives (Tringkas et al., 2012). The general financial and economic crisis has had a major impact on the entire sector in Greece with production losses to approach the 80%. Within this framework, the GSF proposal was rated with a high degree by the Research Funding Program: ARCHIMEDES III and started in 2011. The project is still running.

The GSF case is a suitable context to provide insights into how NPD collaboration between a university department and a firm of a mature industry is deployed, especially from the academic side. Case study research is a useful method for research works that aim to produce a first-hand understanding while a single case study can provide more details and depth (Yin, 2013). The present work focuses on a three-phase process including the three capabilities as described by Daneels (2002) and developed in Buganza et al. (2014) and Xiao et al. (2014): (1) Applied research i.e. the set of activities associated with seeking, using and developing new knowledge, methods and/or techniques for the GSF object; (2) Development i.e. the actual design and development of the product, resulting in the final design and prototype; and (3) Testing which regards the set of activities devoted to testing product performance, set production and fine-tuning products before the market launch.

In all steps managerial and technical capabilities (Daneels, 2002) are examined, excluding consumer capability.

4. RESULTS AND DISCUSSION

The GSF project offered rich insights considering the exploration of such university-industry collaborations, allowing for comparisons with the usual R&D collaborations which dominate in the relevant literature. Collaboration was proposed by the university side: the research team selected the company for a number of reasons and namely, due to: a) former collaboration mainly on testing and student training, b) the positive, innovative culture of the company and c) the relevance and flexibility of its production. This is in line with relevant literature; contrasting high tech R&D collaborations, low-tech firms seem rather reluctant to establish such partnerships (e.g. Hirsch-Kreinsen, 2008), and usually universities are out of reach of them. Furthermore, testing has been also denoted as the first step of collaborations, extending to more complex forms after trust has been established (Buganza et al., 2014).

There was a clear difference among initial aims and targets. Actually, the individual aims from the University side were

| a) | The creation of new knowledge and broadening of interdisciplinary research expressed by patents, research papers and announcements as well as new educational material |
| b) | The establishment of networking mechanisms with the furniture industry at least at regional level. |

The individual aims of the corresponding company were

| a) | The development of new competitive advantage based on the innovative product and the increase of its market share |
| b) | The commercialization of the innovation |

Different targets and time lags among academic research and industrial interest have been often reported and discussed in literature (e.g. Bruneel et al., 2010). However, this has not been mentioned as a problem in scientific research collaboration of high tech industries. On the other hand, it appears a major obstacle in low-tech cases. More specifically, within the GSF project, the company was called to work on new technologies although it was not clear whether it could commercialize the novel product or take advantage of the new knowledge. In cases of mature industries it is very difficult to overcome prejudices, define markets and requirements. On the other hand, academic research deals mainly with the unknown while
profits are not measured in revenues. According to Buganza et al. (2014) CEOs complain that even if they find the suitable professor, sometimes they have to work hard on directing efforts towards their wishes. This conflict becomes even more intense in cases that projects start by academics. Experience, familiarity and established trust played a significant role in the convergence of the individual expectations of the different parts.

A consequence of the different perception of time and scope is also the issue of management. Since the research team was the coordinator, members should also manage the complex collaboration. However, time devoted has a different meaning for an industry. Active involvement required a high degree of technical and managerial capability of the two parts. The research team appeared to own the technical capability i.e. the ability to select, combine and create knowledge, apply it on the creation of the novel green and smart furniture and develop the prototype. However, the team’s managerial capability seemed to suffer in the phases of the prototype development and the setup of the pilot production: problems were mainly traced in the assessment of technical specifications, the co-operation of the individual teams in incorporating the new electronic parts or the commitment to purely “green” materials. This indicated a problematic distance between theory and practice which constitutes the most usual drawback assigned to academic research. The fact indicated the firm’s weaknesses in the technical capability and the research team’s weakness in managing the implementation of research to the physical product.

The inclusion of a wide variety of different knowledge bases comprised a challenge for the two parts and constitutes a major difference with the respective high-tech research projects. In order to accomplish the targets of the GSF project, the research team had to seek knowledge bases inside and outside the Department’s boundaries. In fact, besides the Marketing and Management Department that was the project’s coordinator, most of the Department’s laboratories offered knowledge on: novel material reflecting the totally ecological nature of the product, green production technologies, changes needed to be incorporated in production due to the specificities of the product, norms for the respective quality control and of course design as the means of integration among inventions, aesthetics, markets and production processes.

Knowledge sought outside the boundaries of the Department regarding electronics combined to green technology and their incorporation in production. This research activity was carried out quite successfully, with a fruitful exchange of know-how among participants and the creation of incorporated technology, codified and tacit knowledge. Yet, it regarded rather an internal activity mostly within the barriers of the department. It should be mentioned that there was some indifference by the firm-side to become more involved observed, as well as a reluctance of the research team to motivate the firm to do so. This confirms further the established opinion of the separate roles of the two parts (industry – university) besides the intentions of the coordinator to bridge this gap. However, the investment in knowledge was quite fruitful and led to radical innovation. On the other hand, the firm offered valuable practical knowledge at the stage of pilot production. Thus, the successful and within schedule selection, elaboration, creative combination and creation of new knowledge indicated a significant level of both managerial and technical capabilities of the research team which seem to apply more when stakeholders belong to the same side, i.e. academia.

The mass production and the novel product’s commercialization remain at this stage questionable. Besides the marketing plan and the feasibility study included in the deliverables of the GSF project, there are certain challenges regarding dimensions such as industrial standards, the collaborative firm’s potential and capacity and even its commitment to the proposed product. This can be considered a significant drawback of university-directed research in low-tech sectors contrasting again the high-tech counterpart; even firms of a more open culture to challenges remain rather skeptical in adopting radical innovation as their core strategy.
5. CONCLUSIONS

The present work was based on the GSF research project while its results shed some light on an important but rather under-explored topic: the collaboration between low-tech firms and universities. Whereas the motives, obstacles and impacts of university-industry collaborations are rather well documented through a growing number of empirical analyses, the process of collaboration still remains poorly analyzed and there is scarce evidence considering low-tech industries. Furthermore, literature considers the efficiency of the university side rather self-evident; so, there is hardly any answer to the research question: How do universities cooperate with companies?

The study clearly indicates that there are certain differences from the usual perceptions of R&D collaborations commonly studied within high-tech sectors such as biotechnology and pharmaceutics. It further confirms the fact that low-tech innovation is based on various knowledge sources from different disciplines (e.g. Hirsch-Kreinsen and Schwinge, 2011).

Research teams have to establish trust and familiarity with low-tech firms, exercise strong managerial and technical capabilities as well as the ability to reach and creatively combine knowledge. NPD process is dynamic in many ways in all three stages (research, development and testing) requiring different degrees of commitment of the stakeholders; university gets more involved in the research phase, while low-tech firms appear to get more involved when practical knowledge is needed. However, changes in culture of both sides seem to be imperative in order to promote fruitful knowledge-intensive collaborations within the low-tech framework. It should be mentioned that GSF project was coordinated by a Marketing and Management Laboratory; this was a strong advantage but not common in research-intensive collaborations. Thus, it is strongly recommended that research teams should include a relevant laboratory when attempting such projects.

However, this paper bares certain limitations. First, no quantitative performance measures are provided to indicate whether the patterns of low-tech/university collaboration identified affect collaborative results in a positive way. It would be also interesting to combine low-tech firms’ perspectives and the university perspective within a broader innovation framework.

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A Reflection of Indian Rural Women: A Value Creation View to Promote Development and Innovation

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Abstract
The Indian market has been witnessing a radical change since mid-1991 with new policies of economic liberalization, globalization and privatization initiated by Indian government. For the past couple of years entrepreneurship development is considered as the priority area in the development policy in many countries. Entrepreneurship has played an important role in economic growth, innovation, competitiveness and in poverty alleviation. Women entrepreneurship in rural India has gained momentum in the last three decades with the increase in the number of women enterprises and their substantive contribution to economic growth. The transformation of social fabric of the Indian rural society, in terms of increased educational status of women necessitated a change in the life style of Indian She has competed with man and successfully stood up with him in every walk of life and business is no exception for this. A strong longing to do impressive is an integral eminence of entrepreneurial women. The present paper talks about the prominence of women entrepreneurs - assessing the enterprising behavior obsessed by women entrepreneurs, their competence as women to handle the marketing of their businesses and in conclusion the factors that influence their task taking and breaking new paths and strategies of these entrepreneurs.

Keywords: Indian economy, entrepreneurial women, entrepreneurship development, women

1. INTRODUCTION

J. A. Schumpeter defined women entrepreneur as “Women who innovate, imitate or adopt a business activity”. The Government of India has defined ‘women entrepreneurs on the basis of the participation of women in equity and employment of a business enterprise as an enterprise owned and controlled by a woman having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women’. Entrepreneurship is often conceived as innovation, creativity, the establishment of new organizations or activities, or some kind of novelty. (Klein et al, 2010). The entrepreneurship emerging in the rural areas across the country is termed as rural entrepreneurship which symbolizes rural industrialization. It tends to cater the rural needs such as employment generation, income generation, rural development, build up village republics and curbing rural – urban migration. By the dawn of 20th century women became more aware of their social potentials, which were hidden by social, economic and political constraints. Hence there is a substantial risk in their development. A woman faces plentiful problems to accomplish her familial wishes. A women entrepreneur becomes efficiently independent after facing challenges. By identifying herself a successful entrepreneur, she shines in the two faces of her life i.e. society and family. Entrepreneurship of Women development is an essential part of human resource. Development of women entrepreneurship compared to other countries is very low in India, especially in the rural areas. The progress is more visible among upper class families in urban cities. Rural woman constitutes the family, which leads to society and Nation. Social and economic development of women is necessary for overall economic development of any society or a country.

2. BACKGROUND

Rural entrepreneurship implies entrepreneurship emerging in rural areas. There is a growing need for rural entrepreneurs because industrial units undertaken by rural entrepreneurs are providing much employment to men than machines. Institutions and individuals promoting rural development now see entrepreneurship as a strategic development intervention that could accelerate the rural development process (Saxena, 2012). Rural development is a key element of strategies to reduce poverty and create income and employment opportunities (UNIDO, 2003) a large number of socio-economic constraints for women entrepreneurs like male domination, family obligations, lack of education, lack of self confidence, finance problem, limited mobility, limited managerial skills and so on. It was also suggested remedial measures like training programmes, Government assistance, easy finance, etc Ilahi (2012). The rural markets in India represent a significant opportunity for continued growth of the industry, and for the economic health of the country as a whole. Diverse cultures, educational standards and technical knowledge in rural areas; frequent power shortages across India, and the more rugged environmental conditions in rural areas. The research also found that the perspectives of industry executives about the needs of rural customers differed
significantly from that of the opinions expressed by some of those customers themselves when enquired about the rationales for making buying decisions. (Falk et al 2009)

There are several reasons for the increasing interest in entrepreneurship in rural regions and communities. First and foremost, the traditional approaches of recruitment and retention are just not working for most places, and leaders are looking for viable alternatives. Second, there is a growing body of evidence from the Global Entrepreneurship Monitor, prepared annually by Babson College and the London School of Economics, on the critical role that entrepreneurs and small businesses play in driving local and national economies. Third, the structure of rural economies is essentially composed of small enterprises, (Dabson, 2005)

3. OBJECTIVE OF STUDY

The present study has been carried out with the following objectives in:
- Assessing the enterprising behavior possessed by women entrepreneurs,
- Their capacity as women to handle the marketing of their businesses and finally the factors that influence their decision making environment (SWOT Analysis)
- Marketing strategies adopted by Women entrepreneurs in Rural markets

4. RESEARCH METHODOLOGY

The study was conducted in UTTAR PRADESH which was purposively selected, because it served a great deal of convenience for the research worker in terms of accessibility, ease of rapport building, time, money, and efforts. A list of the villages was made around a town or Kasbah, where market facilities and inputs are available for the enterprises. Care was taken to select only those villages which were well connected by road to nearby towns. Six villages were selected purposively from the selected block. A list of rural woman entrepreneurs was made from each village. A total of 100 respondents (ten respondents from each village) were selected for the study by using simple random sampling method. All the respondents were individually interviewed using pre-tested interview schedule.

5. WOMEN AS ENTREPRENEURS IN RURAL INDIA

Women Entrepreneurship means not only an act of business ownership, it also boosts the economy for everyone, and the empowered women can smash scarcity - not only for themselves, but for their families, societies, and countries too. As per center for Women’s Business Research, 2009 women entrepreneur were growing twice as fast as the other business since 1997 to 2002.
The benefits of entrepreneurship to the society and the economy as a whole are enormous. They help to make the Indian market export competitive and at the same time, they make the “Made in India” brand more acceptable. Uttar Pradesh, the land of opportunities is widely acknowledged for its multi hued culture, religion, natural resources and variety of geographical land. Uttar Pradesh is a steadily growing state at around 6% during the last decade. With large extent of agrarian fertile planes and diverse agro climatic conditions, agriculture is one of the most important and thrust areas of the economy of Uttar Pradesh. Uttar Pradesh is the largest producer of food grains and sugarcane in India. The state carries immense potential for food processing industries, which has been profitably undertaken in the state. Uttar Pradesh has one of the most attractive destinations for investors and entrepreneurs. The state has set up several industrial estates. Source: PHD Chamber of Commerce and Industry, December 2011.

Research has been done on 100 women entrepreneur in Uttar Pradesh. (Figure: 1). Shows why women asses the enterprise behaviour, In which 10% of respondent start their own business to face new challenges and opportunities for self fulfillment
30% owned business as family occupation, 40% involve due to employment generating activities, 20% want to support their family members, 30% engage to give bright future to their wards, 20% engage to add additional income, 20% inspire from the success story of friends and relatives, 30% for innovation, 7% for the freedom to take their own decision and only 3% due to become role model for others.

**FIGURE: 2** Shows why women assess the enterprise behaviour
SOURCE: Primary Data

### 6. NATURE OF BUSINESS

Rural women entrepreneurs are actively involved in revenue generating activities, though their engagement in economic activities is very unstructured and informal. The nature of their businesses is exhibited in Table 2. Majority of these women entrepreneurs (43.6%) have recently started their businesses (less than one year) and only (10.5%) women entrepreneurs have a business life closer to ten years. Majority of these women entrepreneurs (49.1%) are very young (less than 20 years of age) and (30.9%) are less than 30 years of age. This age bracket of these young women entrepreneurs is a sign that can lead to an entrepreneurial revolution if they are being guided, directed, educated, trained, motivated and maneuvered properly. However, the educational profile of these women entrepreneurs presents a drastic scenario, *(Figure: 2)* out of 100 women entrepreneurs interviewed for this research, only 12 respondents (5.5%) attended vocational schools, whereas, 54 respondents (51.8%) never had a chance to educate themselves because of the local traditions, which states that girls should restrict themselves to homes only. Majority of the respondents (56.4%) were married at a very young age and now forced to engage themselves in informal economic activities to contribute to the family income for the survival of the family, as 85.9% respondents stated during the interviews that the major reason to start the business was the necessity and not the perceived market opportunity.

**FIGURE: 3** Nature of business women involved
Source: Primary Data

### 7. SWOT ANALYSIS OF WOMEN ENTREPRENEURS

SWOT analysis is a parameter to evaluate the growth and performance of women entrepreneurs in India. Following is a brief SWOT analysis:

**TABLE: 1** SWOT Analysis
In recent years, rural markets have acquired significance, as the overall growth of the Economy has resulted into substantial increase in the purchasing power of the rural communities. On account of green revolution; the rural areas are consuming a large quantity of industrial and urban manufactured products. In this context, a special marketing strategy, namely, rural marketing has emerged:

### 3. Opportunity
Women inculcate entrepreneurial values and involve greatly in business dealings Business opportunities that are approaching for women entrepreneurs are ecofriendly technology, Biotechnology, IT enabled enterprises, event management, tourist industry, Telecommunication, Plastic materials, Mineral water, Herbal & health care, Food, fruits and vegetables processing.

### 4. Threats
Fear of expansion and Lack of access to technology, Lack of will power, strong mental outlook and optimistic attitude amongst women creates a fear from committing mistakes while doing their piece of work. Credit discrimination and Non Cooperative officials. Uncomfortable in dealing with male labors and Indian women give emphasis to family ties and relationship.

<table>
<thead>
<tr>
<th>1. Strength</th>
<th>2. Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women entrepreneur are confident, creative, innovative and are capable of achieving self economic independence individually or jointly. They can generate employment opportunities for others through initiating, establishing and running the enterprise by keeping pace with her personal, family and social life. Women prefer to work from their own residence, difficulty in getting suitable jobs and desire for social recognition motivates them self–employment</td>
<td>Absence of proper support, cooperation and back-up for women by their own family members and the outside world people force them to drop the idea of excelling in the enterprise field. Women’s family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. Female folk lacks achievement motivation as compared to male members. The greatest obstacle for women entrepreneurs is that they are women.</td>
</tr>
</tbody>
</table>

### TABLE: 2 Marketing strategies

- **Joint or cooperative promotion**: strategy involves participation between the marketing agencies and the client
- **Bundling of inputs a marketing strategy**: in which several related items are sold to the target client, including arrangements of credit, after-sale service, and so on.
- **Management of demand**: involve continuous market research of buyer’s needs and problems at various levels so that continuous improvements and innovations can be undertaken for a sustainable market performance
- **Developmental marketing**: refer to taking up marketing programmes keeping the development objective in mind and using various managerial and other inputs of marketing to achieve these objectives
- **Unique selling proposition (USP)**: involves presenting a theme with the product to attract the client to buy that particular product. For example, some of famous Indian Farm equipment manufacturers have coined catchy themes, which they display along with the products, to attract the target client that is the farmers. English version of some of such themes would read like:
  - The heartbeats of rural India
  - With new technique for a life time of company
  - For the sake of progress and prosperity
- **Extension services**: denote, in short, a system of attending to the missing links and providing the required know-how.
- **Business ethics**: denote, in short, a system of attending to the missing links and providing the required know-how.
- **Partnership for sustainability**: involves laying and building a foundation for continuous and long lasting

### 9. CHALLENGES

- Women in India lead a confined life. They are even less sophisticated, economically not stable nor self-dependent which reduce their ability to bear risks and uncertainties drawn in a business unit.
- Women entrepreneurs have to look a concrete opposition with the men entrepreneurs who easily involve in the promotion and expansion area and carry out effortless marketing of their products with both the organized sector and their male counterparts. Such a competition ultimately results in the liquidation of women entrepreneurs.
- The mature and obsolete community outlook to stop women from inflowing in the field of entrepreneurship is one of the reasons for their failure. They are under an ordinary pressure which restrains them to flourish and accomplish success in the field of entrepreneurship.
- Women's family obligations also slab them from becoming booming entrepreneurs in both developed and developing nations. The financial institutions discourage women entrepreneurs on the belief that they can at any time leave their business and become housewives again.
Indian women give more prominence to family ties and dealings. Married women have to make a fine stability between business and family. The business achievement also depends on the support the family members extended to women in the business progression and management.

Warehousing facilities in the form of godowns are not available in rural India. The available godowns are not appropriately maintained to keep goods in proper conditions. This is a major problem because of which the warehousing cost increases in rural India.

There is a vast dissimilarity in the lifestyles of the people. The alternative of brands that an urban customer enjoys does not exist to the rural customer, who usually has two to three choices. As such, the rural customer has a fairly uncomplicated thinking and their decisions are still governed by customs and traditions. It is difficult to make them adopt new practices.

10. RECOMMENDATIONS

Here are some suggestive measures, to solve the problems confronted by them and for running their enterprise smoothly:

- Proper technical education to the women and opening of women development cells.
- Assistance in project formulation and follow up of training programmes.
- Credit facilities, financial incentive and subsidies.
- Adequate follow-up and support to the women enterprises.
- Women Enterprises research and application from time to time have to be documented.
- **Women should be considered as specific target class for all grooming programmes.**
- Training to enhance their professional competence and leadership skill needs to be granted to women entrepreneurs.
- Government is required to take active measures by launching more schemes which can motivate women entrepreneurs to set up small scale and large-scale business ventures.
- Programmes for boosting entrepreneurship among women need to be expanded at local level.

11. CONCLUSION

Women are endowed with innate power that can make them successful entrepreneurs. Women become reality by nurturing their innate qualities of entrepreneurship. Indian society has undergone a change and women entrepreneurs have shifted their entrepreneurial activities to engineering, electronics and energy. Rural entrepreneurship helps in developing the backward regions and thereby removing poverty. Women in rural India made personal choices, stood up for their convictions and had the courage and strength to enter into new ventures. As a result of these efforts, number of women entrepreneurs has increased over the year. Though there have been limitations, obstacles and roadblocks faced by these women in the past, society have begun to accept that women entrepreneurs do contribute greatly to a country's economy.

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Consumer attitudes towards online privacy – Millennials’ perspective

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Abstract
The privacy flaws of social networking sites (henceforth, SNSs), such as Facebook, Instagram, and Whatsapp, have attracted increasing criticisms over the last few years. Thus, the aim of this paper is to examine users’ awareness of and attitudes towards privacy issues, risks, and information sharing in the online environment. There are three themes explored in this study: users’ online behavior (1), online privacy concerns (2), and users’ awareness of data-collection methods (3). In-depth interviews were conducted with 5 participants, who share the same nationality.

This exploratory study aims to help the research community in gaining a better understanding of the impact of users’ privacy concerns and knowledge of data-collection methods on their online behaviour in general, and information-sharing on social media in particular. Most findings have contradicted expectations, with all the participants displaying a low-concern threshold for the risks associated with social media, including those participants who experienced such risks themselves. None of the participants is willing to sacrifice his/her Facebook account in order to protect themselves, since the benefits offered by social media significantly outweigh the associated risks. While their knowledge of data-collection methods was quite accurate, they did not feel that companies could harm them in any real way. Most of the participants are reluctant to sign-up on websites they are not familiar with; yet, they feel more secure if it is their decision what details to fill in.

Keywords: privacy, concerns, online, social networks, Millennials

INTRODUCTION

This paper will examine online users’ awareness of and attitudes towards privacy issues, associated risks, and data-collection methods used by companies. It will also investigate the extent to which knowledgeable users have changed their information-sharing (online) behavior and whether the perceived benefits of utilizing social media outweigh the risks associated with it. These topics have become paramount for both companies and end-users, since Facebook and other social networking sites are ingrained in the daily routines of most Millennials, reflecting their personal identity and social interactions (Debatin et al., 2009). Such interactions pose significant risks to users’ privacy, the most pervasive being “the inadvertent disclosure of personal information, damaged reputation due to rumors and gossip, unwanted contact and stalking, use of personal data by third-parties, and identity theft” (Boyd and Ellison, 2008, p215). Although there is no singular definition of privacy, it can be explained as an individual’s right to avert the disclosure of personal information to others (Paine et al., 2007). When considering the Facebook Iceberg Model (Appendix 1), the users’ right to choose what information to disclose becomes questionable, as an individual is only aware of the so-called “Visible Part” of Facebook, which is the social networking aspect. Most online users are oblivious to the fact that third parties use Facebook as an information pool for data mining, phishing, and other malicious and privacy-invading activities.

On a more positive note, a CIGI-Ipsos (2014) survey – based on 23,000 global Internet users – found that 64% of respondents had stronger online privacy concerns in 2014 as compared to the previous year, whilst 77% were worried about having their online accounts hacked and their information stolen. It seems that there is a gap between online users’ attitudes on one hand and their online information-sharing behaviour on the other, as studies show that Facebook users are knowledgeable of privacy issues associated with SNSs, yet, they upload large amounts of personal information (Debatin et al., 2009). In a similar fashion, Govani and Pashley (2005) found that more than 80% of participants were knowledgeable about the privacy settings on Facebook, but only 40% made use of them. On the other hand, SNSs are highly popular and provide users with a high level of gratification, which implies that the benefits (e.g. allow users to stay in touch with a large number of people) far outweigh the risks (Ellison et al., 2007). Other studies found that there is little relationship between social network site users’ stated privacy concerns and their information-sharing behavior (Dwyer, Hiltz, and Passerini, 2007; Tufekci, 2008). Therefore, it can be inferred that safer use of SNSs requires a change in users’ attitudes, because, at the end of the day, users are the ones who should be held responsible of their online behavior. The situation changes only when it
comes to young people aged 11-16 being cyber bullied and stalked, who cannot be held responsible given their lack of experience and gullibility. The stories of suicidal actions taken by teenagers, whose behaviour was a result of online harassment on SNSs and online forums, have been proliferated by the media and are a call-to- action for legal bodies in every country.

1. Research Methodology

In-depth interviews were conducted in order to gain deeper insight into users’ attitudes and behavior with regards to social media use, awareness of privacy issues, and the type of information shared on SNSs. Each interview lasted around 45 minutes via Skype, all participants being able to choose an environment where they felt comfortable (see Appendix 2 for the participants’ characteristics). The main advantages of using in-depth interviews are: to gather richer information about participants’ attitudes and values, and how they contextualize such issues; flexibility, since the researcher can tailor the questions based on the previous answers. There are also some disadvantages of in-depth interviews, such as the difficulty of comparing results given that each interview is unique, the sample is small and thus, the results cannot be representative of a particular population, and lastly, they are highly time-consuming (Boyce and Neale, 2006). The interviews were audio-recorded, transcribed, and then imported into NVivo, where initial themes (codes) were generated and then grouped into categories of codes.

The research methodology used in this study is IPA, which focuses primarily on understanding how individuals perceive their surroundings and experiences (an explanation of how IPA is applied in this particular case is provided in Appendix 3). Different persons ascribe different meanings to the events, objects, and people in their lives (Smith and Pietkiewicz, 2014). In other words, IPA aims at identifying the essential constituents of experiences that make each participant distinguishable from others. Given the purpose of this study – to offer an in-depth exploration of the various issues related to online behaviour, trust, and privacy as perceived by participants – IPA was selected.

2. Analysis

2.1. Online behaviour

All participants are highly active online, spending around 4 hours a day browsing the Internet. They spend time mainly on social media, while work- and school-related online activities fall on the second place. The most cited SNSs were Facebook, LinkedIn, Whatsapp, Twitter, and Instagram, with all interviewees being active on at least 3 of them (for a more detailed discussion of participants’ social media use, see Appendix 4). When it comes to trusting online brands, recommendations from family and friends emerged as the most important factor. The reverse also applies to not trusting a brand, such as having someone close talking negatively about the brand or having had a bad experience with that particular brand (e.g. not being able to return a product, receiving a faulty product, or not having their money refunded). The brands they cited as trustworthy do not overlap, given that some participants shop online only for clothes and others only for small appliances or groceries. An interesting aspect was that they all trust the social media companies because of their strong reputation and size. Yet, they are not really inclined to trust a brand more just because it has a Facebook page, since nowadays everyone can create a public page for a fake company as one of the participants noted below. One of the females mentioned that if she “likes” a brand on Facebook, then, the chances are higher to become familiar with that brand and purchase from them in the future. However, the fear of having their News Feed spammed with updates from brands deters the others to “like” and “follow” a company’s Facebook page.

**Business implications:** Brands that have a Facebook page must ensure that they post or share something relevant every day in order to increase fan engagement and users’ familiarity with the brand. More important than having a social media presence is the company’s responsibility of looking after customers and delivering excellent service and products. Since the role of advertising has decreased considerably and has been replaced by WOM and recommendations, brands must allow customers to write reviews on their website and look into any issue that might deter a customer from returning to their website. There is also an opportunity for Facebook to allow users to tailor their News Feed, instead of trying to infer their preferences and spam them with irrelevant updates.

2.2. Online privacy concerns
When asked to define privacy, participants acknowledged that it is the user who draws the boundaries between private and public, and it is the user’s responsibility for what “others” can see, and who “those others” are. Yet, all participants are passive and simply agree with the terms and conditions, without trying to find out what Facebook is doing with their information. One participant believed that only users who had a negative experience – such as identity theft, online stalking – are likely to be more careful and keep up-to-date with any changes in privacy policies. The two female participants who experienced online stalking and found fake Facebook profiles can prove him wrong, as neither one was affected by the event. This low concern threshold regarding online risks can be ascribed to all interviewees, including those who acknowledge that such risks are real.

It is worth noting that participants do not expect social media companies to protect them, instead, they believe each user should take the matter in his hands. Thus, at the moment of the interview, all participants had their profiles on Private and shared information only with friends. However, the term “friend” seems to be loosely defined, as participants agreed to know only 80-85% of their friends. As seen in Figure 3, Andreea and Tina stand out, having over 1,000 friends. Despite her negative experience, Tina stated that she accepts people whom she never spoke to, as long as she had seen them before or if she shares lots of mutual friends with them. This stands in contrast to the other participants, who have a “cleaning ritual” of un-friending people whom they have not spoken to in a long time. In terms of sharing behavior, Tina stands out again, as she keeps sharing the same content she did before finding the fake profiles and being stalked online. Participants exhibit the same low-concern (or no concern) threshold when sharing information with brands, since no one forces them to provide those details.

It is acceptable for them to provide their email address, name, and date of birth, but not their home address and credit card details, unless they want to purchase from that e-tailer. None of them expects anything in return for sharing information; yet, two of the females admitted to be more likely to subscribe if a discount was involved, especially if it was on something they truly wanted.

**Business implications:** To encourage users to create an account, companies must gain the ability of inferring or predicting users’ preferences and tailor the discounts to each particular user. Given that discounts do not breed customer loyalty, companies can reward users with free delivery for a limited time or credit options – buy now, pay in two weeks - to increase trial (especially for small appliances). Whereas for Facebook, given the company’s resources and technological expertise, the company should verify each user regularly or find a mechanism to identify fake profiles of both individuals and brands. Also, it should allow brands a higher personalization of their Public Page, so that users can spot false companies with an outdated page or those who do not have employees for social media moderation. Brands’ Facebook pages can become more trustworthy if their appearance is consistent with the official website of that company, or with their current IMC campaign.

2.3. Awareness of data-collection methods

All participants were knowledgeable of cookies, except for Andreea, whose job even implies social media moderation. In contrast, only two of them were also aware of Facebook’s practices (selling information to third parties) and of companies’ ability to deanonymize users’ profiles. Yet, participants believed that companies could not actually harm them in a real sense, and thus, none of the participants was overly concerned as long as they were given a choice. Again, they argued that it is up to the user what he/she decides to share or not and that no one is forcing the user to upload massive amount of personal details and information.

Surprisingly, even as all participants gained a better understanding of Facebook’s practices, they firmly stated that their online behavior and information-sharing habits would not change, since companies can still track one’s online behavior even without a social media account. In this context, they all agreed to feel highly annoyed with online ads that follow them around.

Another sensible point made was that a person could not have 100% privacy over a conversation unless that conversation took place face-to-face. When asked to choose between being safe (not being on social media) and keeping in touch with their friends, all chose the second option, as the benefits of being on social media far outweigh the risks. However, all participants would like more control over their privacy settings or some international standards in place to regulate Facebook’s practices.

**Business implications:** Facebook, as well as the other SNS companies, should offer their users the option of tighter privacy settings just to make the users feel like the choice is theirs. They should also have a clearer summary of their terms and conditions. For companies that buy advertising space, they should at least try and make those tiny online ads look more professional and perhaps, hire an expert or skilled agency to place those ads in a more relevant fashion rather than scattering them all over the Internet.

3. Discussion and concluding remarks
This study has shown that, indeed, Facebook and other SNSs play paramount role in the lives of their users. Whilst privacy concerns exist, the participants’ awareness of privacy issues does not trigger a change in their online behavior, as users keep sharing large amounts of data. This is consistent with the findings of Dwyer, Hiltz, and Passerini (2007), who argue that there is little correlation between users’ privacy concerns, level of trust, and the amount of information they share. This can be explained by the fact that the relationship between trust and privacy concerns in the context of SNSs has yet to receive enough attention as to allow a deeper understanding and accurate modeling of users’ behavior. On the other hand, it can be argued that the benefits and online gratification of social media play a bigger role than the risks associated with using social media. In addition, privacy concern, in itself, is not a decisive factor when it comes to deleting a social media account (Govani and Pasley, 2005). More importantly, not even participants who had negative experiences do not conceive leaving Facebook or change their information-sharing habits.

This stands in contrast with the findings of Dhami et al. (2013), who argue that strong privacy concerns can deter a user from uploading large amounts of information, and to those of Debatin et al. (2009), who found that individuals experiencing such risks first-hand are more likely to protect themselves and take action. Furthermore, information-sharing on websites does not raise overriding privacy issues, as participants can choose what details to fill in, therefore, giving their consent for that information to be made available to companies. Thus, it can be concluded that it is the users’ responsibility to be careful with what they share and whom they befriend, since social media and real life are becoming more and more intertwined. Additionally, in order for an alteration in online behavior to happen, users’ must amend their attitudes towards social media and the online environment, although it seems that such a change will take years to materialize.

References


Appendices

Appendix 1: The Facebook Iceberg Model

Source: Debatin et al. (2009)

Appendix 2: Participants’ characteristics

<table>
<thead>
<tr>
<th>Sample</th>
<th>Gender</th>
<th>Age</th>
<th>Occupation</th>
<th>Education</th>
<th>Country (where they have lived so far)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant 1</td>
<td>Female</td>
<td>24</td>
<td>Professional</td>
<td>Non-Business (Political Sciences, Law)</td>
<td>Romania, Sweden</td>
</tr>
<tr>
<td>(Andreea)</td>
<td></td>
<td></td>
<td></td>
<td>Business (Finance, Management)</td>
<td></td>
</tr>
<tr>
<td>Participant 2</td>
<td>Male</td>
<td>24</td>
<td>Student</td>
<td>Non-Business (Arabic Languages)</td>
<td>Romania, UK, Germany, Netherlands</td>
</tr>
<tr>
<td>(Bogdan)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participant 3</td>
<td>Female</td>
<td>22</td>
<td>Student</td>
<td></td>
<td>Romania</td>
</tr>
<tr>
<td>(Madalina)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participant 4</td>
<td>Male</td>
<td>33</td>
<td>Professional</td>
<td>Business (Finance)</td>
<td>Romania</td>
</tr>
<tr>
<td>(Nicu)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participant 5</td>
<td>Female</td>
<td>23</td>
<td>Professional</td>
<td>Business (Finance)</td>
<td>Romania, Spain</td>
</tr>
<tr>
<td>(Tina)</td>
<td></td>
<td></td>
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</tbody>
</table>
## Appendix 3: IPA stages and how they translate into NVivo

<table>
<thead>
<tr>
<th>Stages of IPA (Smith et al., 2008)</th>
<th>IPA stages and how they are applied in NVivo</th>
<th>Objectives of each stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Reading and initial noting</strong></td>
<td>✬ The researcher transcribes the data (in this case the interviews), reads and re-reads it, and writes down initial ideas; ✬ Import data in NVivo.</td>
<td>To gain understanding of how each participant uses language to express and define various issues relating to the research questions.</td>
</tr>
<tr>
<td>2. <strong>Generating initial codes</strong></td>
<td>Open coding: ✬ The researcher summarizes the meaning that each participant assigned to a specific experience; ✬ Coding (‘nodes’ in NVivo) implies an iterative process of going through each transcript several times to code and re-code.</td>
<td></td>
</tr>
<tr>
<td>3. <strong>Generating categories of codes</strong></td>
<td>✬ Organizing codes in relevant themes; ✬ Assigning the nodes to an appropriate theme – nodes are added to other nodes usually as child nodes; ✬ Nodes are reordered and relabeled, ensuring that new labels reflect the coded data in a proper fashion.</td>
<td>To reduce the volume of data even further, while preserving its complexity by seeking connections and patterns.</td>
</tr>
<tr>
<td>4. <strong>In-case and cross-case analysis</strong></td>
<td>Matrix coding: ✬ Creating a matrix consisting of final themes in order to conduct in-case and cross-case analysis; ✬ Reading the matrix to look at themes both between and within participants.</td>
<td>To find connections and patterns between participants and also within a participant’s characteristics and the meaning ascribed to a certain theme.</td>
</tr>
<tr>
<td>5. <strong>Producing the report</strong></td>
<td>✬ Generate analytical memos, test and validate, synthesize analytical memos, all providing the researcher with the last opportunity for analysis; ✬ Produce an academic report of the analysis.</td>
<td>To generate a coherent report by relating the analysis back to the literature review and research questions, all done in a rational fashion.</td>
</tr>
</tbody>
</table>
Appendix 4: Participants’ preferences and use of various SNSs

The main reason why participants have various social media accounts has to do with the different benefits that each SNS offers. They all argued that LinkedIn has a professional touch and facilitates networking, Facebook is for keeping in touch with people you might not necessarily be really good friends with, whilst Whatsapp is for the closest friends. In terms of usage, all participants have Internet on their smartphones, thus, checking their social media accounts every time a new notification pops up. It is interesting to note that two female participants prefer Whatsapp to Facebook, and are willing to let go of their Facebook account only to keep Whatsapp, because they find it to be more personal when connecting with friends. Even more surprising, the third female named LinkedIn as her go-to network, arguing that it plays a higher role than Facebook; this is because she is a young professional trying to build a reputation for herself in the consulting industry. Only the male participants named Facebook as their favorite SNS, one of them going as far as comparing Facebook with a small town that hosts everything one is looking for, from industry- and company-specific events to music, news, and one’s friends. Given that he has been studying and living abroad for 5 years, he also emphasized the importance of being able to keep up to date with friends from back home and how Facebook helps one to still identify with those people. In contrast, one of the girls who like Whatsapp argued that she only uses Facebook when she feels bored. However, she did admit that Facebook has managed to become addictive, helping one to procrastinate and waste time.
How Ghanaian firms create spaces to position themselves

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Abstract

While there is a wide variety of research inquiry into positioning, examinations of managerial positioning-related views and activities as well as external observations of these activities appear to be missing in positioning research. Additionally, the focus of prior positioning studies on quantitative methods is restrictive given the pivotal impact of day-to-day, non-quantitative firm activities on the operationalization of positioning strategies. The central purpose of this exploratory research is to examine the employment of positioning strategies of Ghanaian financial services firms using a qualitative case study approach. This study adds to the meager research stream attempting to document the positioning strategies pursued by actual firms in developing countries, specifically in the fruitful emerging economy of Ghana. Seven case studies are examined in this research and are specifically used as illustrations of the pursuit of positioning strategies in Ghana. The findings are analyzed and presented below, concluding with implications and directions for future research.

Keywords: positioning, Ghana, financial services, qualitative case study

INTRODUCTION & BACKGROUND

While there is a wide variety of research inquiry into positioning (Arnott 1992; Hooley et al. 1998; Bingne, Vila-Lopez, & Kuster-Boluda 2000; Suzuki 2000; Miles & Mangold 2005; d’Astous & Boujbel 2007), examinations of managerial positioning-related views and activities as well as external observations of these activities appear to be missing in positioning research (Ries & Trout 1986; Hooley, Saunders, & Piercy 2004). Additionally, the focus of prior positioning studies on quantitative methods is restrictive given the pivotal impact of day-to-day, non-quantitative firm activities on the operationalization of positioning strategies (Ries & Trout 1986; Porter 1996). Despite incessant calls from practitioners (Ries & Trout 1986) and scholars (Hooley et al. 2004), qualitative case study research in positioning appears to have been overlooked, including in the positioning practices of firms in developing sub-Saharan African economies and specifically, Ghana.

Given this research gap, the central purpose of this exploratory research is to examine the employment of positioning strategies of Ghanaian financial services firms using a qualitative case study approach, which is in line with Jarratt & Fayed’s (2001) method in their examination of the link between marketing strategy development and strategic decision-making. Qualitative methods are valuable in that, unlike quantitative methods, they can uncover underlying motivations and efforts important in the application of marketing strategies (e.g., Arnould & Wallendorf 1994; Cayla & Arnould 2008). Additionally, this study attempts to respond to Kalra & Goodstein (1998), who suggest that future research should examine positioning strategies, and adds to the meager research stream attempting to document the positioning strategies pursued by actual firms in developing countries, specifically in the fruitful emerging economy of Ghana (Coffie & Owusu-Frimpong 2014; Coffie 2014). Seven case studies are examined in this research (Quality Insurance Company, uniBank Ghana, Barclays Bank Ghana, Standard Chartered...
Bank Ghana, Energy Bank Ghana, Fidelity Bank, and ARB Apex Bank) and are specifically used as illustrations of the pursuit of positioning strategies. The findings are analyzed and presented below, concluding with implications and directions for future research.

**METHOD**

Although numerous advantages are associated with quantitative research and modeling techniques, and studies employing these methods have contributed to our understanding of positioning orientation, it is not always possible – or even desirable – to use formal quantitative methods to obtain subterranean and in-depth information from respondents (de Chernatony & Dall’Olmo-Riley 1999; de Chernatony & Cottam 2009). On the other hand, an advantage of using in-depth face-to-face interviews is that opportunities exist for researchers to probe respondents to uncover motivations, beliefs, attitudes, and feelings about the subject matter (Goodwin et al. 1997; Jarratt & Fayed 2001; Viswanathan et al. 2005; de Chernatony & Cottam 2009). These methods are pivotal since they serve as interesting avenues for future research (de Chernatony & Dall’Olmo-Riley 1999; de Chernatony & Cottam 2009; Stewart 2009).

Qualitative case study research is important in marketing theory building in the realism scientific paradigm (Perry 1998; Dubois & Gadde 2002; Halinen & Tornroos 2005; de Chernatony & Cottam 2009) and is an increasingly acceptable research tool within the positivist paradigm (Beverland & Lindgreen 2009). The case study approach enables us to inductively build an understanding and appreciation from the data. Consistent with de Chernatony & Cottam (2009), following our communication with managers and marketing managers of local branches of financial service organizations (i.e., banks and an insurance organization), and based on our experience in the study setting, we determined that branch offices’ overall marketing and positioning practices emanate from directions and guidelines from corporate headquarters (Kalafatis et al. 2000). Thus, for the purposes of this study, bank branch managers’ accounts of their positioning practices actually reflect the overall positioning strategies of their firms (Suzuki 2000; de Chernatony & Cottam 2009).

**2.1 The Sample and Data Collection**

As noted earlier, this research deals with case studies of financial service firms: Quality Insurance Company, uniBank Ghana, Barclays Bank Ghana, Standard Chartered Bank Ghana, Energy Bank Ghana, Fidelity Bank, and ARB Apex Bank. Specifically, in each, a senior manager was interviewed (see Lewin & Johnston 1997; de Chernatony & Dall’Olmo-Riley 1999; de Chernatony & Cottam 2009). The conversations, which were recorded with permission, lasted 40 to 45 minutes for all firms and took place in natural, non-contrived settings. In addition to our interview notes, the recorded interviews aided our interpretation of the statements made by the managers. This helped in our use of inductive reasoning in deciding on which strategies were actually pursued by the companies (see also Brady & Cronin 2001; Jarratt & Fayed 2001; Dubois & Gadde 2002; Viswanathan et al. 2005; de Chernatony & Cottam 2009). Following de Chernatony & Cottam (2009), managers were asked to discuss their firms’ marketing practices. Specifically, we encouraged them to discuss their positioning aims and strategies given any instructions from their corporate head offices concerning what positioning strategies should be employed (Suzuki 2000; Miles & Mangold 2005; Juga et al. 2008). They were asked also to give their opinions about how they fared compared to their competitors (Jarratt & Fayed 2001) and elaborated on how they executed their day-to-day marketing and positioning activities.

We also embarked upon covert observation techniques (Dubois & Gadde 2002) involving incognito observation of positioning activities encompassing customer service, bank premises ambience, promotions, target audience(s) served, and brand names. We observed the mannerisms of staff and customers as they interacted with each other. We examined the layout, attractiveness, and cleanliness of the premises, including the restrooms, façade, window displays, and overall ambience of the premises. Additionally, we surveyed the surrounding areas in order to appreciate the environment surrounding the firms. These actions were completed in order to acquaint ourselves with firms’ positioning strategies as depicted in their marketing and business practices (Ries & Trout 1986; Blankson et al. 2008). The multiphase qualitative design (face-to-face interviews and observations) helped us to get a better understanding of the firms’ positioning activities (Jarratt & Fayed 2001; Dubois & Gadde 2002).
2.2 Measurement Construct

Due to the criticisms leveled against extant typologies of positioning strategies (Kalafatis et al. 2000) because of the absence of empirically-derived, consumer-generated positioning strategies (Aaker & Shankby 1982; Crawford 1985; Ries & Trout, 1986), we decided to adopt an empirically-based generic (i.e., appropriate for services and goods), consumer-derived typology of positioning strategies (see Table 1). The latter served as the measurement construct/instrument for the examination of the employment of positioning strategies. Eisenhardt (1989) recommends the adoption of a priori constructs for emerging theory by noting that “a priori specification of constructs can also help to shape the initial design of theory building research” (p. 356).

| Strategy 1 | Top of the range: Upper class, top of the range, status, prestigious, posh | Strategy 5 | Attractiveness: Good aesthetics, Attractive, Cool, Elegant |
| Strategy 2 | Service: Impressive service, personal attention, consider people as important, friendly service | Strategy 6 | Country of origin: Patriotism, Country of origin, Youth market |
| Strategy 3 | Value for money: Reasonable price, Value for money, Affordability | Strategy 7 | Branding: The brand name, Leaders in the market, extra features, choice, wide range, expensive |
| Strategy 4 | Reliability: Durability, Warranty, Safety, Reliability | Strategy 8 | Selectivity: Discriminatory in selection of customers, Selective in choice of customers, high principles |

2.3 Validity and Reliability

Bearing in mind the suggestions offered by Douglas & Craig (2005), we adopted the new typology (Table 1), developed in the United Kingdom after validation tests in Ghana, prior to the final data collection. The validation tests involved assessment of the properties and meaning underpinning the typology in those sectors. The latter was carried out through face-to-face long interviews with a convenience sample of forty five executives from the services and manufacturing industries in Ghana, an approach consistent with Si & Bruton (2005). In view of the subjective nature of the study, three experts were given copies of the research for feedback. In addition to the above, and following Sweeney & Chew’s (2002) method, and Dubois & Gadde’s (2002) suggestions, three types of tests were conducted to establish reliability and validity. Further details of these tests are available from the authors upon request.

RESULTS AND DISCUSSION

Consistent with practices described in the literature (Lewin & Johnston 1997; de Chernatony & Dall’Olmo-Riley 1999; Liu et al. 2004; de Chernatony & Cottam 2009; Dubois & Gadde 2002), we indicate the pertinent positioning strategies believed to be employed by the sampled firms (see Brady & Cronin 2001; Jarratt & Fayed 2001). In addition, managers’ comments regarding their views about their firms’ performance following the pursuit of positioning strategies were identified (see Jarratt & Fayed 2001; Viswanathan et al. 2005; de Chernatony & Cottam 2009). The research showed that managers are aware of the employment of positioning strategies. They also gave impressions about their actions and the impact of their actions on their firms’ performance. Similar to Goodwin et al. (1997) and de Chernatony & Cottam (2009), the managers discussed these activities in pragmatic ways.

Using the discussed qualitative case study methodology, this research reveals the marketing practices of Ghanaian financial service firms leading to the determination of underlying positioning strategies (Eisenhardt 1989; Suzuki 2000). The results show that the selected firms have strategically employed positioning strategies by addressing customer needs and increasing customer traffic, competitive advantage, market share, profitability, and shareholder earnings. Responses and observations indicate that provision of quality customer service (in short,
“service”) is the core strategy of all sampled firms. Each firm pursues a strategy that focuses on customer-centeredness, and all departments and units within and among the firms focus on meeting the needs of customers and working toward satisfying customer needs. The use of customer relationship management is another strategy that has helped to serve customers more effectively and efficiently in the Ghanaian financial services domain.

Given the vagueness of services, parts of the strategies for all sampled firms are devoted to creating tangibility of offered services in the minds of customers. Surprisingly, QIC and Barclays Bank pursue “top of the range” strategies but do not seemingly pursue an “attractiveness” strategy; in addition, uniBank makes no apparent pursuit of “attractiveness.” Since services are intangible, “attractiveness” is an appealing and effective strategy to bring tangibility to firm offerings. Interestingly, two of the three firms pursuing a “brand name” strategy (namely, QIC and uniBank) do not pursue “attractiveness.” This may be due to the reliance on the strength of the brand name to override the perceived need to pursue “attractiveness.”

Five of the firms pursue “value for money” strategies. Interestingly, two of the three firms using a “top of the range” strategy do not pursue “value for money.” Intuitively, this makes sense, given the tendency for “value for money” strategies to appeal to those on budgets (i.e., lower-end consumers). Additionally, four of the five firms pursuing “value for money” are also the four firms pursuing “attractiveness.” Does this apparent relationship explain the reason why firms pursuing “top of the range” fail to employ “attractiveness”? Do firms with strong, appealing ambience attract lower-end consumers but not higher-end consumers? In addition, only three firms provide evidence of “reliability” strategies. This is an interesting finding, especially in light of the nature of financial services. Consumers storing and maintaining their financial accounts would presumably expect reliability from the host firms of these accounts. Why do the other firms fail to pursue “reliability”?

Only one firm (Energy Bank) pursues a “country of origin” strategy. This finding is interesting but does not challenge the characteristics of the financial services industry. Additionally, one of the sampled firms seem to pursue “selectivity.” While a few firms seek to address high-end customer needs (i.e., “top of the range”), these firms seem to want to keep the doors open to customers who are interested in firm offerings, regardless of personal or financial background. Would pursuing “selectivity” improve the efficiency and effectiveness of firms seeking to meet the financial needs of high-end customers? This is a performance outcome that can be explored through future research.

All sampled firms seek to maximize profitability and increase shareholders earnings, contending that one cannot be in business to achieve losses; otherwise, being in business is not worth the investment. Given the qualitative nature of this study, these positioning strategies cannot be assuredly and empirically tied to business performance outcomes; hence, no discussion is offered. This should be addressed in future research.

3.1 Implications

This research contributes to marketing theory and supports other research on the reliability and validity of Blankson & Kalafatis’s (2004) typology of positioning strategies. The study also supports research by Blankson & Crawford (2012) concerning the application of positioning strategies of retail service firms in the state of Texas (United States). Moreover, this study answers calls made by Porter (1985), Arnott & Easingwood (1994), and Rigger (1995).
This research also serves as insight for managers and other top decision makers, especially in the banking and insurance sectors. Managers should use the tactics of product/service attractiveness and customer value to maintain favorable customer impressions. In addition, the findings of this study provide insight into current firms’ positioning strategies so that other financial services firms may competitively position themselves alongside these firms. Firms looking to enter the Ghanaian market can use these findings to determine an optimal entrance strategy based on a solid positioning-related foundation. Managers should apply the positioning strategies used in this research. In addition, managers should pursue these strategies collectively, obtaining buy-in from all areas of the firm. Finally, managers should proactively emphasize pursued positioning strategies in marketing communications while ensuring that efforts are consistent with perceptions of intended target markets (Hooley, Piercy, & Nicoulaud 2012).

3.2 Limitations and Future Research

While the result of the research may be reflective of observations of positioning strategies of the service industry, the results are not extensive. Rigorous, quantitative analysis will enhance the findings of this exploratory study and provide further insight to both scholars and managers working in financial services, especially in the arena of developing countries. In addition, the sample size used for the interviews was not broad enough to draw a generalizable set of conclusions. Future research should expand the sample size to include ample representation of Ghanaian financial services firms. To enhance comparison with financial services firms in fully developed, Western markets, scholars may examine a dual sample of financial services firms from both Ghana and a Western principality, such as the United Kingdom or the United States. Finally, the results are limited to positioning strategies as pursued by Ghanaian financial services firms. Future research would benefit scholars and managers by studying additional Ghanaian services contexts, such as home repair, restaurants, hotels, airline, education, etc. Future study should expand upon these qualitative findings to develop a rigorous quantitative approach to determine the impact of these positioning strategies on business performance across a broad sample in Ghana.

Acknowledgements

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References


The Impact of Multichannel Approach on Mobile Commerce Development in the Republic of Serbia

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Abstract:

Internationalization and globalization lead to a higher degree of concentration and expansion of multichannel approach in trade. These changes in the global market enable penetration and the increasing use of mobile technology. Technological innovation in telecommunications field allows the emergence of new trade institutions, like mobile commerce. The evolution of mobile technologies from 2G to 5G creates a new marketing channel through which the retailer differentiates its products among competition. The focus is on personalization, where the end consumer has an innovative channel that provides a purchase at any time and at any place.

Key words: globalization of market, concentration, multichannel, mobile commerce

1. INTRODUCTION

The technological revolution in the telecommunications field, as well as a new lifestyle of consumers, has enabled the emergence of new trading institutions via mobile phone. The emergence of mobile commerce is linked with the existing concept of e-commerce, and mobile commerce success is based on unique and new performances that it has: mobility, ubiquity and constancy, which are significantly improved in comparison to electronic commerce. These performances are creating new opportunities for mobile commerce and the development of electronic commerce, but also create a number of multichannel challenges. Higher level of interactivity and personalization with consumers comes thanks to the development of mobile commerce. The personalization provides all necessary information about products and services in accordance with the requirements and needs of each individual consumer. These mobile portals are becoming increasingly essential tool in e-commerce for delivering personal information. The dynamics of creating interactivity has far-reaching impact on the concept of mobile commerce, and thus the conditions of competition in the global market. Starting with the interactivity and multichannel approach in terms of globalization inevitably raises the following question:

- What is the significance of multichannel approach in development of mobile commerce in modern conditions of business operation in the global market?

The answer to this question involves the fact that trade through interactivity and multichannel approach creates greater communication on a global scale. “All this indicates that the new interactive multichannel marketing offers a variety of features and advantages for spatial and temporal convergence to consumer” (Končar, 2008, pp. 204-206). The business strategy of multi-channel marketing, with the consumer in its center, includes the interaction with individual consumer in the global market.
1. THE EVOLUTION OF MOBILE TECHNOLOGY AS A BASIS FOR MOBILE COMMERCE DEVELOPMENT

The development of new mobile technology allows to retailers development of interactive relationships with consumers in order to ensure the best possible ways to meet the needs of each individual. Mobile technologies receive significant role in the modern process of buying in the global market. Mobile phones, smart phones, tablet computers and similar devices significantly facilitate the purchase, and they are used for searching the product on the web, locating retail stores, finding a product in a retail store, scanning bar codes and QR codes to obtain information about product, comparing prices on the Web etc. Transactions of mobile commerce include hardware infrastructure and technology. The infrastructure that supports mobile commerce involves the cooperation of multiple stakeholders from the mobile operators, mobile providers, mobile device manufacturers, Internet service providers, as well as banks and retailers and finally adoption of these technologies, that is constantly changing, by the end user.

One of the first technologies for data transfer via mobile devices is a technology called “second generation” 2G network which is the forerunner to today’s technologies for developing mobile commerce. 2.5G and 2.75G technologies were significant in evolution of mobile networks that are characterized by improved capabilities for data transfer. With the invention of 3G technology, based on the IMT-2000 (International Mobile Telecommunications - 2000) mobile telecommunications standard, leads to the development of mobile commerce. Next 4G technology offers transfer speeds up to 10 times in comparison to the prior-network - 100 MB per second. The price of mobile phones on which you can use 4G technology will primary affect on speed of transition from 3G to 4G in the Republic of Serbia. “4G technology is known as LTE (Long Term Evolution), and all three mobile operators in Serbia (“Telekom Serbia”, “Telenor” and “Vip mobile”) are aiming towards the introduction of this new technology and are currently in the testing phase” (Danis, 2013). The LTE technology offers users a better mobile communication, as traditional voice services and messaging services turns into rich media content.

“Telekom Serbia” was the first telecommunications service provider in the region of South East Europe which was testing the 4G network in reality in April 2011. “Bearing in mind that currently only part of frequencies are intended for use of 4G technology, after the completion of the process of digitization, which is scheduled for 2014, would it be possible to use a wider frequency range - the 4G phone in the Republic of Serbia” (Itin Team, 2012). This occurs as the need to establish a global system (which implies the integration of fixed, cellular and satellite networks, as well as WLAN Wireless Local Area Network) that has high speed data transfer. Thanks to 4G technology, comes the realization universal mobility and availability from multiple networks that are converged with Internet Protocol. All three Serbian mobile operators “Telekom Serbia”, “Telenor” and “Vip mobile”, have got the frequencies that allow the introduction of the fourth generation (4G) mobile telephony. The fourth generation of mobile telephony enables significantly higher speeds of Internet in relation to the current 3G technology. Tests by “Telekom Serbia” indicate that there is full readiness for the introduction of LTE (Long Term Evolution is the global standard of fourth generation mobile networks 4G) technology and launching new generation of mobile telephony. The 4G technology brings multiple benefits related to accelerated communication, facilitated operations, reduced traffic costs, as well as considerable availability of telecommunications services in the less developed areas of the Republic of Serbia. The mobile commerce technology is still developing, and the development of mobile commerce will be facilitated with the new 5G technology. Smart phones with 5G technology have the option of changing cells, or selection of technology that provides the best and safest connection for the transmission of various data that facilitates and accelerates mobile commerce transactions.

2. DEVELOPMENT OF MOBILE COMMERCE IN THE REPUBLIC OF SERBIA

The mobile commerce, as the latest marketing channel, have made its applications very advanced in order to get in touch with consumers and to approach them in a completely new way using the application and gaining mobile users. “M-commerce is conducted mainly via the mobile Web” (Turban et al., 2012 p. 282). Amazon, eBay and Wal-Mart are focused on mobile applications, and are leaders in mobile commerce. The following figure 1 represents the three leaders in mobile commerce platform by visits on mobile and desk top computers in the United States.
The mobile commerce offers great opportunities and mentioned companies are untouchable in winning mobile users. “Thanks to the mobile device three major retailers come in contact with their consumers using applications such as loyalty programs and face recognition technology” (Marketnetwork, 2014). “Trading via mobile devices has been developed especially in Japan, where 35% of the total Internet sales are realized from mobile devices in 2013” (Marketnetwork, 2014). The research in the world indicates that the use of mobile phones for purchasing of products and services in all countries recorded a significant increase in the period from 2011 to 2013. Mobile payment and applications that enable cashless payment receive important place and are becoming a contemporary marketing trend. Cashless payments will grow during 2015, because financial institutions, mobile operators and providers of mobile technology have an interest in the growth and application of mobile wallets. Integration of new tools with existing systems will be the basis of assessment of new technologies focused on privacy and data security. “Mobile e-commerce, or m-commerce, refers to the use of mobile devices to enable transactions on the Web” (Laudon and Traver, 2013, p. 61). Necessary condition for the development of mobile commerce in the Republic of Serbia is implementation of the infrastructure of mobile commerce. According to the networking index in the world (The Networked Readiness Index) as a factor of information literacy is the use of mobile phones by the population, which represents one of the factors of implementation of mobile commerce. The Table 1 shows the potential of using mobile phones in the Republic of Serbia. Mobile phones with high phone performances are offered to the users of mobile devices and services in the Republic of Serbia under very favorable conditions, as well as packages of mobile service that allow them every day Internet access via mobile phone.

<table>
<thead>
<tr>
<th>Table 1: Use of mobile phones in Serbia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Representation of mobile phones per household</td>
</tr>
<tr>
<td>Use of mobile phone for Internet access</td>
</tr>
<tr>
<td>Internet connection WAP, GPRS via mobile phone</td>
</tr>
<tr>
<td>Using external connection via mobile connection by companies</td>
</tr>
</tbody>
</table>

Source: Republicki zavod za statistiku Srbije, 2015.

Based on the research of mobile phones use in Serbia, we came to the conclusion that the number of households that accessing the Internet using a mobile phone has increased by 14.9% compared to the year 2013. On the other hand there is a reduction of external connection via mobile connection by companies in 2013 compared to the year 2012 by 2.6%. The following Table 2 indicates the use of mobile phones by sex and age of the users in Serbia.
Table 2: Use of mobile phone by gender and age of users in Serbia

<table>
<thead>
<tr>
<th>Year</th>
<th>55-74</th>
<th>25-54</th>
<th>16-24</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>m</td>
<td>F</td>
<td>m</td>
</tr>
<tr>
<td>2009</td>
<td>64,5%</td>
<td>54,3%</td>
<td>90,9%</td>
</tr>
<tr>
<td>2010</td>
<td>65,9%</td>
<td>61,6%</td>
<td>88,4%</td>
</tr>
<tr>
<td>2011</td>
<td>61,7%</td>
<td>58,2%</td>
<td>97,3%</td>
</tr>
<tr>
<td>2012</td>
<td>61,8%</td>
<td>56,8%</td>
<td>92,5%</td>
</tr>
<tr>
<td>2013</td>
<td>73,2%</td>
<td>70,3%</td>
<td>94,1%</td>
</tr>
<tr>
<td>2014</td>
<td>83,4%</td>
<td>77,6%</td>
<td>96,1%</td>
</tr>
</tbody>
</table>

Source: Republički zavod za statistiku Srbije, 2015.

The mobile payment has not yet been developed for the payment of goods and services on the Internet in Serbia. The introduction of mobile payment system “PlatiMo” by the mobile service provider “Telenor”, mobile phone has become payment method in 2010, similar to the various credit and debit cards. The “QVoucher” voucher system is very popular in the Republic of Serbia, which functions as an electronic “supplement” for payment of goods and services on the Internet, but it does not burden the users’ mobile account for mobile services. The “QVoucher” is used by over 20,000 users, and it is available in stores across Serbia and through electronic banking. This payment system can only be used on the Web site that supports payment via “QVoucher”, most of which are so called group buying websites.

Revenues from mobile commerce in the Republic of Serbia are relatively small, but it begins to occupy an important place in the shopping experience. Mobile commerce will only show its full potential by generating growth through all channels, including improving the buying experience by allowing greater interaction between consumers and retailers. The exploitation of mobile technology will provide opportunities for retailers to be oriented toward the end user, and develop closer relations and meet the needs of the each individual consumer to a greater extent. The value of revenue from mobile commerce in the Republic of Serbia depends on many factors, such as the income per capita and the number of mobile phone users. In addition to these measurable factors on the volume of mobile commerce affects a number of other factors that cannot be quantified, such as lifestyle, educational level of the population, age structure and so on.

CONCLUSION

The evolution of mobile networks leads to the emergence of new technologies on which are based the development of mobile commerce. Three major mobile phone retailers Amazon, eBay and Wal-Mart have embraced mobile as the newest sales channel, such as loyalty programs and technology face recognition. Mobile technologies are gaining greater place and role in the performance of retail activity in the modern process of developing interactive relationships between consumers and retailers. The expected completion of the digitalization process in Serbia will be held during 2015, which will enable the implementation of 4G technology. In this paper we analyzed the current use of mobile technologies in the Republic of Serbia, emphasizing its potential for growth in the future. Therefore, we could make conclusion that in future mobile technology will be increasingly used for commercial purposes. The main obstacles to our research, and consequently its limitations, are related to the impossibility of analyzing revenue from mobile commerce in the Republic of Serbia, due to the lack of official statistics and methodologies in this field. It is expected that with the inclusion of these data in our future research we would have a better perspective of the actual situation and the efficiency of mobile commerce in the Republic of Serbia. All in all, the further mobile commerce application growth is expected in the Republic of Serbia and in the world in the recent future.
References


The fight against aesthetic pollution - marketing funds for urban restoration. Cooperation between the private and public sector to improve the urban environment

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Abstract
The purpose of this study is to present a modified model of internalizing external costs caused by the operation of a manufacturing unit in conjunction with a new reality created. The environment is characterized as a public good.
We suggest a novel marketing approach operating within legislative restrictions such as the prohibition of outdoor advertising in a city environment. The case examined is the city of Athens. Contingent Valuation Method and expert opinions were used to evaluate the effect of aesthetic pollution and estimate the potential of our proposal. The proposal describes an exemplary collaboration between private and public sector that brings multiple benefits without burdening any social group, on the basis of a Pigouvian subsidy scheme for renovation of city building facades, including motive to encourage advertising on the scaffoldings used for the renovation (which is allowed by law). Advertisers will place advertising screens on the scaffold while revenues from advertising will fund the renovation of the facade of the building. The suggested solution combines two seemingly competing activities of the city, outdoor advertising and the aesthetic reconstruction of building facades. Activity is transferred from micro to macroeconomic level, while at the same time Pareto criterion of optimality is met.

Keywords: Aesthetic Pollution, Contingent Valuation Method, scaffolding advertising, restoration

1. INTRODUCTION

Outdoor advertising is an activity that causes aesthetic (Flad, 1997) as well as material pollution (posters, billboards, sticker material etc.). In Europe alone there are between 2 and 8 million billboards displayed at any given time and this number is constantly growing. Every 2 weeks, over 6 million square metres of poster paper are thrown out. The paper is not recycled, the ink is not eco-friendly, and the glue used is toxic (ECOBOARD, 2014). Due to this, billboard advertising has a disastrous effect on the environment, and this issue needs to be addressed. The negative effects are pronounced on large urban centers, such as Athens. For many years the Greek Capital faced the problem of unrestrained advertising. The situation led to a legal ban and final dismantling of outdoor advertising. Businesses and advertisers no longer find legally physical space to display their products. One way out is the online advertising. The online advertising however does not fully cover the needs of the advertiser since a number of social groups (e.g. the elderly) have no - or limited at best- access to electronic technology. Consequently, the justified concern for aesthetic enhancement deprived the possibility of advertising to businesses and led to income loss for dozens of employees.

On another note and completely unrelated to the above, the aesthetic state of the city of Athens is scarred by the poor condition of the facades of a great number of private or public buildings. The dark grey and black color (literally) dominates the streets of large areas of the city, creating an atmosphere of depression. On certain streets sunlight is 'stifled' between 'black buildings'. Many buildings of great architectural value lay convicted under the 'grey' pollution accumulated over decades. There is a strong relationship between the perceived lightness of a building and the opinion that it is dirty (Brimblecombe&Grossi, 2005). Blackening of light coloured fabric eventually reaches a point where it becomes publicly unacceptable and raises pressure for cleaning (Hamilton and Mansfield, 1992). This aesthetic, more specifically, this visual pollution has an important - albeit undefined- cost to the social and financial life of the Greek capital.

A relevant subsidies program with the name ‘ΠΡΟΣΟΨΗ’ (‘Facade’) was put in place by the Municipality of Athens. The aim of that program was the improvement of the city’s general aesthetic. The effect of this effort was negligible, with the vast majority of the affected buildings remaining in this plight. In the mind of the public, external renovation of buildings is a difficult or even impossible goal. Planning authorities have a statutory responsibility to plan for the sustainable development of their areas, primarily through the development plan process but also through local area plans. Nonstatutory framework plans and site development briefs can supplement but not replace the function of statutory plans (Government of Ireland, 2009).
2. FORMULATION OF THE PROBLEM

Building darkening due to particle deposits is up to a point a negative externality, since the property owner is not responsible for the air pollution which is a major factor of the process. From the other hand, fouling due to time passing, as well as damage and corrosion has to be dealt with by the land owner. The end result is an aesthetically polluted neighborhood and -by extend – city. This pollution affects functionally and financially the city, thus becoming a negative externality itself from the city’s point of view. Being hard, even impossible to pinpoint the responsible for this externality, the burden for its internalization is left mainly on the land owners and in many cases they are just not willing – or simply cannot afford- to pay, leading to total or partial neglecting of the necessary restoration.

Outdoor advertising on streets, building walls and terraces, is prohibited by law in Greece. This caused a crucial blow to an already struggling sector, especially the last 5 years of recession and led to job losses and shrinkage of the industry.

The arguments against outdoor advertisement traditionally have followed an aesthetic narrative with varying degrees of success in terms of restricting the proliferation of billboards. The public has consistently found outdoor advertising to be intrusive, ugly, crassly commercial, and a taint on nature. With billboards being an emblematic tool of the industry and marketing, the story of outdoor advertising is an ongoing struggle between an expanding industry and a resistant public. Signs are affecting seriously the visual environment of a city. They are prominent structures that are typically, and deliberately, highly visible in the public. From their first appearance in the late 19th Century through today, billboards have met resistance on aesthetic grounds. Flad (1997) comments that “…they [billboards] also do not perform an effective function. They simply consume consumption”.

Historically, the regulation of outdoor advertising has prompted a surprisingly prodigious amount of controversy and litigation. It has been challenged as a denial of free speech, due process and equal protection. It has been upheld on nuisance and real property grounds, and sustained on the basis of public health, safety, morality, comfort and convenience, aesthetics and the right to be let alone (Shutton, 1972). The argument against outdoor advertising which appears most often focuses on billboards’ adverse visual and aesthetic impact on the surrounding community. Advertising billboards are openly accused for “visual pollution” and how they “desecrate the landscape” (Flad, 1997).

In a study regarding the impact of billboards on real estate prices in the City of Philadelphia, USA, (Snyder, 2011) it was revealed that properties purchased within a small radius of billboards have a significant decrease in sale price and the correlation is statistically significant (p ≤ .05). Further, the analysis reveals a correlation between billboard density and home value. Billboards negatively impact home values.

There is compelling evidence that distraction is a major contributor to crashes (Lee, McElheny and Gibbons, 2007; Wang, Knipling& Goodman, 1996; Stutts et al., 2001; Klauer et al., 2006). The studies that have been conducted show convincingly that roadside advertising is distracting and that it may lead to poorer vehicle control. However, the evidence is presently only suggestive of, although clearly consistent with, the notion that this in turn results in crashes. Studies providing direct evidence that roadside advertising plays a significant role in distraction based crashes are currently not available. A review by Austroads (2013) identifies the issue of distraction due to roadside advertising but suggests that it is reasonable to conclude that far less than 1% of all crashes and near crashes involved distraction from roadside advertising.

2.1. Methodology

2.1.1. Contingent Valuation Method

In this research, the Contingent Valuation Method (CVM) was used (adapted by Mitchell & Carson, 1989). Questioners were distributed to residents of selected neighbourhoods of Athens, in order to estimate their willingness-to-pay to support restoration projects on their neighbourhood and other areas in central Athens. The questioner format aims to probe the general attitude of citizens on restoration projects and extract quantitative data in monetary units on how they value abstract ideas such as visual pollution. Additionally, it screens citizen preference on alternative strategies for urban environmental improvement. Preferences of people are examined by asking people directly their WTP or WTA a change in environmental quality.

The survey is part of an on-going wider study regarding the aesthetic pollution of the city. Since it is not formed to investigate solely the idea presented here, the quantitative data analysis is out of the scope of the present work and therefore is not presented. We present only qualitative conclusion on ‘discomfort levels’ due to aesthetic pollution from building facades darkening and an estimate on WTP/WTA. A representative questioner sample can be seen in Appendix A, along with the answer results from a specific neighbourhood.

2.1.2. Getting expert opinions
To acquire the views of experts in the fields of advertising and real estate market, telephone interviews were conducted.

Six (6) professional advertisers were interviewed. Specific questions were addressed. Advertisers were questioned whether they would be interested to advertise on scaffolding if it is legal and if there is a relevant municipal program in place for the restoration of building facades, what would be the amount considered reasonable to allocate for the period that the restoration will last according to the size of the building and the time (for example, a seven-storey building with a width of 15-20 meters and for one month), what type of advertising they consider most appropriate for scaffolding (general commercial or industrial) and finally asked what was their opinion on the operation of such a venture.

Eleven (11) realtors were interviewed. They were asked on the real estate price trend on specific areas in Athens and Kozani, before and after restoration or improvement project on the area. They were asked on the importance of the facade state and how it is affected by darkening.

3. TOWARDS A SOLUTION OF THE PROBLEM

3.1. Results

Regarding the CVM questioners, the answers show two seemingly contradicting trends. The majority of residents are annoyed by the visual pollution in their neighbourhood and believe that restoration programmes are the key to the solution. They seem, however, not willing to pay -or at best, willing to pay very little (around 20-30 euros each in average) - for the improvement of the aesthetic of their environment.

The questioner presented in Appendix A is a representative sample. From the questionnaire circulated in the area of Thisio, respondents were separated by gender, age, whether working at the aesthetically affected area or not, whether residing or not at the artistically affected area, whether they own real estate properties at the affected by aesthetic pollution area. We then applied Variance Analysis. The dependent variable is the amount of WTP. Independent variables are the nominal variables of the questionnaire. In a brief the results can be summed up as follows: WTP is dependent by age, respondents consider that effective treatment of aesthetic degradation will substantially benefit professionals (73% positives) and residents on the area, the impact of the renovations would be significant, they would have a practical benefit from a concerted effort by the municipality and citizens to address the aesthetic pollution (Great benefit 33%. Moderate 36%, Small 31%) and yet, in the absence of funding, respondents were willing to pay only 19.71 € in average.

On the other, advertisement experts, after admitting that outdoor advertisement is aesthetically unpleasant but it was (and still is in some cases albeit illegal) a substantial percentage of their income, were in general positive to the idea of scaffolding advertisement. Two of them suggested that electronic screens are the best way to go, since moving images attract more public attention. They raised concerns regarding the cost, considering that the restoration of a seven-storey building façade (working example) will last roughly a month and would cost 12000 euros or more. They unanimously agreed that the endeavour would be successful only if a relevant municipal scheme is put in place, organising the activity, offering support in the form of a subsidy and buffering any ‘price war’ that might arise between marketing firms, something that would cut small firms from the deal.

Realtors unanimously verified the hypothesis that aesthetic degradation of a location leads inevitably to lower market value of the neighbourhood properties. The opposite happens when the aesthetic value of the location is improved by restoration projects, with the land property prices following an upward trend. They generally agreed that properties next to billboards or on neighbourhoods that unrestricted outdoor advertising is in practice have lower prices. They unanimously agreed in the most emphatic way on the positive correlation between the price of the property and the appearance of the building façade, especially the shading of the colour. As one realtor said: “no one will buy a flat on a dirty building”, proving that in his mind a darkened façade implies an overall unclean building.

3.2. Aesthetic pollution and urban restoration.

The valuation of aesthetic pollution from buildings in the centre of Athens can be made with the tools offered by the Environment Economics. Environmental Economics, as a branch of economics, has a parallel course to the general economic theory at least since the 18th century. Each resource alone or in combination with others can be used in alternative ways. The problem that arises is how natural resources are distributed optimally on options presented. To establish a conceptual framework for our working hypothesis, we assume that environmental issues are basically microeconomic problems (discussed in Tye, 1985; Kinnaman, 2013). Consequently, their examination involves the use of basic concepts and analytical tools of neoclassical microeconomic theory. Any suggested plan must satisfy the principles of sustainable development: Financial, social and environmental sustainability.
The trend of area redevelopment first appeared in Western European metropolitan areas, particularly at cities with heavy urban heritage and fewer suburbanization tendencies. In the late 60s the demand for maintaining/upgrading of the cultural heritage in cities or regions with strong historical character was vocalized. At the same time, existing models and methods of urban development were challenged (Loures, 2015). At that period the renovation of the Jordaan district in Amsterdam and Harlem and VINGO in Stockholm began. In North America, an area with lighter urban tradition, the reuse of central areas for housing occurs largely combined with the questioning of the suburban model from an economic perspective. The oil crisis made the middle class realize the advantages of the central areas. Residential rebirth of neighborhoods developed in the 19th century, with massive renovation of old residential buildings, cannot be classified as redevelopment in the sense of total intervention in the public and private urban space, it gives however a vivid picture of the problems arising from upgrading a low-income strata residential area to a high income one (Karadimitriou, 2013). Similar cases, but in milder form, appeared in European cities, such as Maris district of Paris.

Redevelopment projects of building facades have already been completed on five locations in the city of Athens. In those cases private companies, acting as donors, played a pivotal role. Moreover, seven building blocks located at ProspsygikaDourgouti area were completely renovated with funds deriving from private sponsors and the Municipality of Athens. More specifically:
1) Varvakeio Market, sponsored by «LIQUIMAR TANKER MANAGEMENT SA”.
2) Pangratiou square, sponsored by the company ”Titan AE “.
3) AthanasiosKanellopoulos square, sponsored by ” VIOHALCO GREEK COPPER AND ALUMINIUM INDUSTRY”.
4) Dexamenis Square, sponsored by ”TERNA TOURIST AND SHIPPING COMPANY SA”.
5) Madrid square, sponsored by ”TOYOTA HELLAS SA”.
6) DourgoutiArea, sponsored by the companies «J & P Avax SA” and ”ATHINEON SA”.

3.3. The case of the municipal garden at Kozani

In an attempt to screen a quantitative correlation between the aesthetic upgrade of a location and the benefits acquired by the land owners, the neighbourhood and the municipality it is relevant to refer to the positive effects by the creation of the municipal garden at the city of Kozani, effects reflected at neighborhood as well as city level. The decision to reform the former military camp, placed within the urban area of Kozani, was a turning point for the wider upgrade of the region, from the point of utilising the existing space as well as promoting the construction of new infrastructure, leading to the redevelopment of the area and eventually the creation of a “cultural neighborhood ”, a centre for multiple activities just a short distance from the commercial centre. The construction of the garden with all its technicalities marked the beginning for the aesthetic improvement of the area as well as its enrichment with cultural and sporting activities with substantial benefits that exceeds the scale of the neighbourhood and reaches the scale of the entire municipality.

Regarding the impact of the project in financial terms, two factors should be considered: a) the increase of the neighbourhood property values b) the additional municipal revenues due to the activities in the region. Following an investigation on real estate pricing from agencies activated at the city of Kozani, the years between the construction of the park and the burst of the financial crisis, the real estate values was steadily increasing for properties in the vicinity of the municipal gardens. Specifically, the average land price in the region in 2002-2004 amounted to 500 euro / sq.m. This value increased to 600 euro / sq.m. the next few years, an increase of 20%. According to city realtors (6 experts who replied anonymously to a telephone inquiry), real estate property values have trended upward, estimated that it would have risen even further if not for the financial crisis in 2009 which marked a sharp decline in construction activity and a consequent drop of commercial prices for land and buildings properties. Despite the recession though, prices have not dropped to levels below those of 2004. Further, according to the same realtors operating in the region, while rental housing prices follow the general downward trend in prices, the neighbourhood rents remain relatively high, even higher than the city's commercial centre.

4. DISCUSSION

It is obvious that the effect of the restoration of aneighbourhood, either by restoring the buildings or improving existing space is – as it was expected- positive in general, both in economic as well as environmental and aesthetique terms. Property values go up, recreational and cultural activities are boosted, the commercial activity is healthier and the satisfaction level of residents and visitors is increased. On the other, property value and social containment is negatively affected by the ‘darkening’ of building facades as well as outdoor advertising. The obvious course of action should be the removal of the negative factors and the promotion of the positive ones. The necessary restoration (painting and/or cleaning the facades) has a cost. Further, the ban of outdoor advertising deprives physical space from the marketing industry, leading to income loss and increased unemployment among the industry professionals. It is pivotal to emphasize that the proposal presented here is applicable only when and where there is legislative restriction to outdoor advertising.
A Pigouvian subsidy scheme can be established on the grounds that the activity would generate external benefits, or else positive externalities. The externality caused by time and pollution, affecting directly the property owners and indirectly the city (as shown above) is, in turn, internalized mainly to the advertised parties. As the marketing experts pointed out, the advertised parties would be more willing to participate if they can demonstrate corporate social responsibility (CSR). And CSR is a source of competitive advantage (Porter & Kramer, 2006). The private provision of public goods can generate value (McWilliams, 2011), and urban environment is a public good. Subsequently, the necessary investment on advertisement becomes also a tool to demonstrate CSR.

Our proposal describes an exemplary collaboration between private and public sector, presenting multiple benefits without burdening any social group. Energy is transferred from micro to macro level of economic activity, elevating practices from unit to the sum. According to V. Pareto, an activity is beneficial to society when improves the socioeconomic status of individuals, without a corresponding worsening of the socio-economic situation of others. It is then assumed that these activities tend to maximize social welfare. In this case, the Pareto criterion is met. The activity benefits the sum of society without harming any of its parts. The casecombinesissues addressed by different disciplines, such as Marketing, Natural Resources Management and Public Economics for reaching the socially optimal solution.

References


**APPENDIX A**

**Quantitative Data for Aesthetic Pollution**

From the questionnaire circulated, respondents were separated by gender, age, whether working at the aesthetically affected area or not (employee), whether residing or not at the aesthetically affected area (citization), whether they own real estate properties at the affected by aesthetic pollution area (building) as follows:

![Chart showing gender distribution]
We then apply Variance Analysis. The dependent variable is the amount of WTP. Independent variables are the nominal variables of the questionnaire.

### Tests of Between-Subjects Effects

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>864362,990a</td>
<td>4</td>
<td>216090,748</td>
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<td>.219</td>
</tr>
<tr>
<td>Intercept</td>
<td>804100,165</td>
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<td>804100,165</td>
<td>5,824</td>
<td>.025</td>
</tr>
<tr>
<td>V1</td>
<td>0,000</td>
<td>0</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>GENDER</td>
<td>371588,518</td>
<td>1</td>
<td>371588,518</td>
<td>2,691</td>
<td>.115</td>
</tr>
<tr>
<td>EMPLOYEE</td>
<td>372,135</td>
<td>1</td>
<td>372,135</td>
<td>2,691</td>
<td>.959</td>
</tr>
<tr>
<td>CITIZATION</td>
<td>15076,127</td>
<td>1</td>
<td>15076,127</td>
<td>.109</td>
<td>.744</td>
</tr>
<tr>
<td>BUILDINGS</td>
<td>239636,982</td>
<td>1</td>
<td>239636,982</td>
<td>1,736</td>
<td>.201</td>
</tr>
<tr>
<td>Error</td>
<td>3037325,306</td>
<td>22</td>
<td>138060,241</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4839504,000</td>
<td>27</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>3901688,296</td>
<td>26</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. R Squared = .222 (Adjusted R Squared = .080)

We observe that the WTP is not affected by any of the above variables (sex, work, residence and possession of the property) at 5% significance level.

There is dependency by age. Participants, according to age class, accept to participate financially (WTP) in the regeneration of facades as shown in the following chart. The classes are: 1: 18-25, 2: 26-35, 3: 36-45, 4: 46-55, 5: 56-65, 5: more than 65 y.o.

From the linear regression analysis the following can be deduced:

We note that the coefficient of determination of the regression model where the dependent variable is WTP and the other identities from all other questions in the questionnaire are taken as independent variables is 0.853. Therefore the adjustment of the model is quite good.

According to the Kendall index we observe that the WTP is positively correlated with the volunteer work of the respondent for reconstruction of the facade, at a significance level of 5% (P-value = 0.027, r = 0.321) and the correlation is moderate. It appears that as the voluntary work of the respondent for redevelopment of the façade increases, so does the amount WTP as well.
**Question:** In an effort of the Municipal Authority in restoring the external of buildings and the absence of available financial resources, we make the assumption that citizens are asked to participate financially in a special account. In this case, how much you would you be willing to contribute?
Average value: 19.71 €

We observe that the WTP is positively correlated with the contribution of the respondent to the account for the improvement of facades in Athens at 1% level of significance (P-value = 0.000, r = 0.692) and the correlation between them is strong. It appears that the more the contribution of the respondent to the account for the improvement of facades in Athens, the greater the WTP amount.

**Question:** Do you consider that effective treatment of aesthetic degradation will substantially benefit those who are active professionally on the area?

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>73%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NO</td>
<td>26%</td>
</tr>
</tbody>
</table>

**Question:** What is the significance for you in general of the impact of environmental rehabilitation works (natural and urban) in the current economic situation?
- Great 39%
- Moderate 37%
- Some 22%
- Insignificant 3%

**Question:** Do you have a practical benefit from a concerted effort by the municipality and citizens to address the aesthetic pollution;

<table>
<thead>
<tr>
<th></th>
<th>Great</th>
<th>33%</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Moderate</td>
<td>36%</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>31%</td>
</tr>
</tbody>
</table>

**Question:** Educational level of respondents:

Primary school 1%
Gymnasium 7%
High School 29%
College Degree 41%
Postgraduate studies 23%
Consumers’ Intention to Share Online Shopping Knowledge through Social Network

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Abstract

The purpose of this study is to examine attitudes toward sharing information online toward social network websites’ influences on smartphone users’ intentions to share their experience, knowledge and information online. This study distinguishes attitudes as reciprocity and reputation as primary factor to influence intention to share information. The results show both factors can affect smartphone users’ behavioral intentions. The implications of this study are discussed.

Keywords: Knowledge Share, Social Network, Online Shopping, Consumer Behaviour.

1. INTRODUCTION

A survey conducted by Immediate Future (2010) reveals that 53% of consumers review items and services online. Furthermore, it finds that consumers’ reviews are considered 157% more effective than traditional advertisements. According to Mazzarol, Sweeney and Soutar (2007), social media and connectivity via the Internet created more effective communication forum between companies and customers, and begin to have significant impacts of marketing and advertising. Although online reviews affect customers’ buying behaviour, existing consumer behaviour literature has not fully explored the factors that contribute to customers’ intentions to share their experiences, expert knowledge or shopping related information online, such as social network websites (Chen and Xie, 2008).

Capgemini (2015) reports in UK, 40% of online sales in Q4 2014/15 completed through mobile devices including smartphone. The report also presents that the consumers’ confidence in using smartphone for buying online appears to be in hike. The report states, “In an online shopping context, the smartphone has generally been regarded as a research tool for comparing prices and checking information primarily. Yet the number of m-retail sales completed via these devices has risen from one in five to one in four in the space of a year”.

In year 2013, UK market achieved £91 billion sales online, by significant growth of 18%. Mobile devices played essential role by achieving 138% increase from 2012 to 2013 marking year of the mobile (Capgemini, 2014). This result supports the reports statement “Consumer confidence in mobile continues to increase and improvements in mobile optimization and the user experience are certainly factors in this” (Capgemini, 2014).

Black Friday can illustrate the most recent examples of boosting online sales by sharing, posting through online social media and network sites.

In recent years, Black Friday has become busiest shopping day of the year. Retailers make heavy discount in many popular products and services to attract consumers (Byun and Mann, 2011). It is common scene to catch through news media that consumers make a queue before the opening hours early as midnight (Thomas and Peters, 2011).
In UK, online channel were more involved and active in 2014, Amazon, Currys and PC World, John Lewis and Very.co.uk has joined in made even bigger sales record for Black Friday (Mintel, 2014). Amazon UK, who brought Black Friday to UK, sold about 64 items per second estimated in total 5.5 million goods, breaking record of 4 million goods from previous year 2013 (BBC News, 2014).

The Telegraph newspaper website initiates the webpage of live feed of online users and news media network regarding the Black Friday deals. The webpage lively updates the users’ posts of information on “deals” and “news”. The participation of consumers were significant and the flood of information was posted on online open forum, webpage, blog and other social network sites such as Facebook and Twitter (Davidson et al., Telegraph, 2014).

In modern world, retailers are offering products and services through various channels and platforms such as flagship offline store, department store, electronic commerce and mobile commerce to achieve higher profits (Venkatesh and Morris, 2000). Swiley and Goldsmith (2013) has outlined the factors influencing the selection of shopping channel by consumers, such as social influence (Warrington et al., 2007), demographics (Burke, 2002), previous experience (Kumar and Venetakesan, 2005; Telzrow et al., 2007) and price (Choi and Mattila, 2009; Tang and Xing, 2001).

2. RESEARCH FRAMEWORK AND HYPOTHESIS

To augment the consumer behavior literature, this research examines attitudes toward sharing consumption experience online with social commerce sites’ influences on smartphone users’ intentions to share their experience, knowledge or information on social network websites (Hsu and Lin, 2008) (Figure 1). This approach considers individuals’ general attitude toward sharing consumption experiences online and specific evaluation generated from using online social commerce sites.

![Achieve Reciprocity by sharing information online](image)

H1

Intention to share experience, information online

Achieve Reputation by sharing information online

H2

Figure 1 Proposed Framework

Gouldner’s (1960) work in early days represents reciprocity as “it is a general basic tendency that can be found in most human societies throughout history, one should help those who have helped him / her in the past and retaliate against those who have been detrimental to his / her interest”. Reciprocity is widely recognised in philosophical, psychological and sociological aspect. The concept is based on how social exchange is made through interpersonal behaviour (Homans, 1958).
Information systems define reciprocity as the salient belief that knowledge sharing results in a future request for knowledge being obliged (Chen and Hung, 2010). Lechner and Hummel (2002) suggest that reciprocity has been considered the most crucial factor for knowledge sharing. Shiau and Luo (2012) suggest reciprocity can provide mutual benefits through online knowledge sharing within community.

In this study, intention is defined as a desire to share consumption-related information online (Ajzen, 1985). Based on the work of Ajzen (1991), attitude is the degree to which a person has a favorable or unfavorable evaluation or appraisal of sharing consumption-related experiences online. The influence of attitude on the intention to undertake the behaviour in question, such as blogging, has been extensively supported (Hsu and Lin, 2008; Nunkoo and Ramkissoon, 2010). Based on the above, this study proposes the following hypothesis:

H1: Smartphone users’ reciprocity toward sharing own knowledge, experiences and information online has a positive influence on their intentions to share their experiences social network websites.

The second relationship that will be investigated is the influence of reputation on intention. In this current study’s context, Reputation refers to the degree to which a person believes that social interaction potentially enhances personal reputation. Reputation is a social product and a social process. In an online context, a perceived increase in reputation is caused by information sharing among other users or sellers (Constant et al., 1996).

Blog user participation in knowledge sharing potentially enhances personal reputation (Hsu and Lin, 2008). Previous studies have indicated that reputation is a crucial factor that significantly influences individual knowledge sharing within a community (Wasko and Faraj, 2005). The current study proposes the following hypothesis:

H2: Smartphone users’ reputations toward sharing own knowledge, experiences and information online have a positive influence on their intentions to share their experiences social network websites.

3. RESEARCH METHODS

This study focused on smartphone user consumers when examining its proposed framework. After two months of data collection, 181 surveys returned. All participants were university students. The key research question was

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>92</td>
<td>50.8</td>
</tr>
<tr>
<td>Female</td>
<td>89</td>
<td>49.2</td>
</tr>
<tr>
<td>Age Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 18</td>
<td>3</td>
<td>1.7</td>
</tr>
<tr>
<td>19–25</td>
<td>63</td>
<td>34.8</td>
</tr>
<tr>
<td>26–35</td>
<td>86</td>
<td>47.5</td>
</tr>
<tr>
<td>36–45</td>
<td>28</td>
<td>15.5</td>
</tr>
<tr>
<td>46–55</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>Over 56</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

“What are the factors that contribute to students’ intentions to share their online shopping experiences and information through social network websites?” The measurement items were adopted from Baek, Holton, and Yaschur (2011), Kankanhalli et al., (2005), Bock and Kim (2011), and Morgan-Thomas and Veloutsou (2013). The measurement items were reliable with Cronbach alpha above 0.7.
The questionnaire was designed with screening question, 53 questions related to specific topics and 3 demographic questions were obtained. The respondents were focused to relatively young adults, and no significant difference in gender. Table 1 illustrates demographics.

4. DATA ANALYSIS

Data were analyzed by SPSS AMOS 20. Following Anderson and Gerbing’s (1988) two-step approach, a measurement model was first estimated using confirmatory factor analysis. The high factor loadings, composite reliability, and average variances extracted (AVE) for each construct were used to confirm the reliability, convergent validity, and discriminate validity of the instrument (data upon request).

Table 2 illustrates the hypothesis test and Table 3 illustrates the descriptive statistical analysis.

<table>
<thead>
<tr>
<th>Path</th>
<th>Standard Estimate</th>
<th>( t )</th>
<th>Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: RC ( \rightarrow ) BI</td>
<td>.088</td>
<td>6.17**</td>
<td>Support</td>
</tr>
<tr>
<td>H2: RT ( \rightarrow ) BI</td>
<td>.079</td>
<td>2.03***</td>
<td>Support</td>
</tr>
</tbody>
</table>

RC= Achieve reciprocity toward sharing experiences online; RT= Achieve reputation toward sharing experiences online; BI= Intentions to share consumption experiences online

\*\( p<.05 \), **\( p<.01 \), ***\( p<.001 \)

The results obtained from structural equation modeling show a good fit between the data and the model (\( \chi^2 = 42.801, df= 24, p < 0.001, \text{RMSEA}=0.066, \text{CFI}=0.978, \text{GFI}= 0.949 \)). This research’s results support the application of the proposed model in the context of smartphone users’ online information sharing intentions. As for results gathered from hypotheses testing, the participants’ achievement of reciprocity and reputation toward social commerce sites can affect their intentions to share information online; therefore, H1 and H2 are both supported. The structural estimates for H1 and H2 are 0.088 (t=6.17, \( p<0.001 \)) and 0.079 (t=2.03, \( p<0.01 \)), respectively.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Measurement Items</th>
<th>SD</th>
<th>Factor Loading</th>
<th>( \alpha )</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>RC1</td>
<td>When I share my information about social commerce, I believe that I will receive other information from online group buying vendors</td>
<td>1.01</td>
<td>.85</td>
<td>.90</td>
<td>.80</td>
<td>.94</td>
</tr>
<tr>
<td>RC2</td>
<td>When I share my information about social commerce, I expect to get respond when I need from online group buying vendors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RC3</td>
<td>When I share my information about social commerce, I believe that my queries for information will be answered in future online group buying vendors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RC4</td>
<td>I find that my participation in the sharing of information on social commerce can be advantageous to me and from online group buying vendors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RC5</td>
<td>I think I that participation in the sharing of information on social commerce can improve the reciprocal benefits.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reputation</td>
<td>RT1: Sharing my information on SNS improve my image</td>
<td>.94</td>
<td>.85</td>
<td>.88</td>
<td>.89</td>
<td>.68</td>
</tr>
</tbody>
</table>

379
5. DISCUSSION AND IMPLICATION

This research confirms smartphone users’ attitudes toward sharing experiences and information online positively affect their intentions to share experiences on social commerce websites. Furthermore, it also reveals consumers’ satisfactions toward the social commerce website they used cause them to share their positive experience.

Based on this study’s results, practitioners can increase the sales by attracting consumers who potentially desires to share information online. Managers need to target users who enjoy their online shopping experience. Having a secure payment system, fast delivery, and user-friendly webpage can be crucial. In order to identify these consumers, practitioners can insert a short survey to find out about users’ attitude and satisfaction after they have bought a product/service online.

6. FUTURE STUDIES, LIMITATIONS, AND CONCLUSION

To conclude, this study investigates the factors that contribute to smartphone users’ intentions to share their positive experiences on social network websites. In terms of theoretical contribution, this current research confirms consumers’ willingness to share knowledge through the social commerce sites they use will affect their intentions to share. As for practitioners, they can gain more knowledge about this type of consumers and formulate suitable strategies to increase the number of positive reviews. Despite the contributions mentioned above, this study has some limitations. Mainly, it did not consider the influence of social influences. Future scholars can incorporate this factor into this study’s propose framework.

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A typology of international markets targeting strategies

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Abstract
This study investigates the adoption of Targeting Strategies in International Markets. These strategies are - for the first time – being considered as a set of 4 mutually exclusive options which guide decisions about the number of foreign markets and the timing of entry in these markets. These strategies are explained and predicted through an extensive list of factors which relate to company, product, technology, market and competition characteristics. The proposed model is sufficiently replicated and predicted in a sample of Greek exporting firms. All strategies do not carry equal levels of acceptance, with Greek firms opting for more conservative internationalization paths.

Keywords: export market expansion strategy, international targeting strategies

1. INTRODUCTION

The selection of a suitable expansion strategy is the most crucial decision a company takes during the process of internationalization (Cavusgil & Zou, 1994). Two critical questions have to be answered in order for an expansion strategy to be designed: a) Will entry be concentrated or diversified across international markets? and b) Will entry be incremental or simultaneously to various markets? (Hollensen, 2011). Consequently, for each of the questions, two alternative strategies emerge, creating a 2X2 decision matrix with four different targeting strategies for international markets. Although these strategies have been studied in pairs in the past, no evidence has been found supporting their strategic consideration as a set.

The main objective of this study is to investigate the concurrent consideration of these four targeting strategies in the same conceptual domain by marketing managers, during their strategic evaluation of international markets. To that effect, country evaluation dimensions as identified in the literature are brought to bear (Katsikeas & Leonidou, 1996; Kalish, Mahajan & Muller, 1995). More specifically, characteristics of the international environment, the company, the product, the adopted technology and the existing competition are used in order to discriminate among the four alternative targeting strategies and as descriptors of the adopted rational.

2. LITERATURE REVIEW

During a company’s internalization process, the market selection stage is followed by the selection of the expansion strategy (Hollensen, 2011). In particular, it is supported that a company has to take two major decisions in order to design its expansion strategy to international markets. The first one is related to the number of international markets the company targets, whereas the second is associated with the time frame of internationalization. Taking into consideration these two decisions, four distinct targeting strategies for international markets are apparent. The first dimension, which is related to the number of international markets, identifies two alternatives along a concentration - diversification continuum (Ayal & Zif, 1979; Katsikeas & Leonidou, 1996; Katsikeas et al., 2003). Companies following a strategy closely to the one end, focus their efforts and resources on few, carefully chosen, foreign markets. In contrast, companies which adopt the strategy at the other end of the spectrum, disperse efforts and resources in as many as possible foreign markets. At the same time, companies have to decide along a timing continuum from incremental to simultaneous entry. These strategies have been named “waterfall” and “sprinkler / shower” respectively (Kalish, Mahajan & Muller, 1995). In the first option the company chooses to enter in all foreign markets gradually, while in the second case the company chooses to enter the same number of market, simultaneously (Keegan, 2000).

- Expansion strategy based on the number of new markets
The selection between a wider diversification or a concentration on core foreign markets has been the object of study in numerous empirical paper (for a recent review see Cieślik, Kaciak & Welsh, 2012). The aforementioned deliberation is referred in the literature as «the concentration versus spreading debate» (Crick et al., 2000; Katsikea et al., 2003; Cieślik, Kaciak & Welsh, 2012). Trying to conclude upon normative guidelines, researchers investigated the relationship between the expansion strategy and a company’s performance but evidence is still broadly inconclusive (Ayad & Zif, 1979; Cooper & Kleinschmidt 1985; Fenwick & Amine, 1979; Piercy, 1981; Tessler, 1977; Leonidou, Katsikeas & Coudounaris, 2010).

More specifically, several studies propose the adoption of a market concentration strategy, arguing that the fewer the markets that an export company focuses, the higher the gained market share (Tessler, 1977; Tokey, 1975). Evidently, this strategy seems to enhance the company’s profitability in the long term, as it is positively correlated to sales increases (Leonidou, Katsikeas & Samiee, 2002). In contrast, the implementation of the market spreading strategy, whereas a less risky alternative with lower overall sales volume, achieves a similar performance result through claiming a relatively lower market share, but on a much larger number of disparate foreign markets (Hammermesh, Anderson & Harris, 1978; Hirsch & Lev, 1973; Lee & Yang, 1990; Katsikea et al., 2003; Lages et al., 2006; Lu & Beamish, 2006; Pangarkar, 2008).

Although it is not possible to conclude on the superiority of one strategy over the other, there are specific and well-defined reasons why companies follow a particular approach to their expansion in foreign markets (Piercy, 1982). Mostly market and company specific characteristics determine to a large extent the nature of the focal strategy (Ayad & Zif, 1979; Fenwick & Amine, 1979; Piercy 1982). However, large multinational companies have adopted a dual strategy using both expansion paths simultaneously (Aspelund et al., 2007; Crick & Jones, 2000; Morgan-Thomas and Jones, 2009), developing thus ambidextrous capabilities. The ambidexterity is evident in the need to implement an exploration strategy in new markets, while continuing to exploit opportunities in the established ones (March, 1991; Barkema & Drogendijk, 2007; Cellard & Prange, 2008).

- Expansion strategy based on time frame of internationalization

The traditional internationalization models place emphasis to an incremental learning process which favors gradual expansion into international markets, initiating their entry into psychic close and usually neighboring markets (Eriksson et al., 1997; Johanson & Vahlne, 1977). The traditional approach has been challenged by new models of international businesses, like the born–global firms and the globally savvy ones (Chetty & Campbell-Hunt, 2004; Knight & Cavusgil, 2004; Preece, Miles & Baetz, 1999). In addition, a company’s desire to have a large dispersion of international markets stems from the need to ensure the further development and exploitation of critical resources (Knight et al., 2004; Madsen & Servais, 1997; Oviatt & McDougall, 1994, 1995).

According to Kalish, Mahajan and Muller (1995) theoretical framework about the importing of a new product to markets, is made an effort a) to investigate the optimal timing and scope (number of countries) in order to introduce a new product in a number of foreign countries, and b) to identify alternative strategies to maximize the profit. Depending on the environment of industry, both domestic and foreign market, and the cost of entry to foreign markets, companies are able to select the suitable strategy which fits to them.

3. METHODOLOGY

In order to investigate the perceived deployment of the four strategies, a mail survey took place among Greek export companies in September - October 2013. The sample consisted of 1000 export companies, from various sectors, including pharmaceuticals and cosmetics, electronics, plastic materials, chemicals, timber furniture and cement. After a second reminder mail, the collection yielded a final usable sample of 139 completed questionnaires resulting to a 13.9% response rate.

The first part of the questionnaire consisted of questions about the company’s internationalization profile. In the second part and before analytical questions on the nature of the internationalization environment, respondents were asked to place their followed targeting strategy along two distinct axes as depicted in graph 1. Firstly, they had to indicate their adopted strategy regarding the number of markets they entered on the Y axis and then to indicate the adopted strategy regarding the speed of entrance on the X axis, using in both cases a 20-point scale.

In the third part of the questionnaire, a series of Likert scales have been used for measuring the multi-item that have been identified in the literature as determinants of the adopted strategies. More specifically, Hollensø’s (2011) framework has been extensively used and enriched with items from a) Katsikea et al. (2003) on the number of foreign markets and b) Kalish, Mahajan & Muller (1995) on the timing of the internationalization process.

Factor analysis was employed to validate the factors of the measurement model. Kaiser-Meyer-Olkin (K-M-O) was used to indicate the appropriateness of the factor model and sampling adequacy was satisfactory. Bartlett’s Test assured the sphericity of the variance among the questions and their level of significance. Internal consistency was assessed (Hair et al., 2009) with Cronbach’s alpha.
4. FINDINGS

A considerable 6% of the firms failed to identify only one followed strategy on each axis. By looking at their demographic characteristics, especially turnover and achieved profitability, it has been concluded that these firms could pursue an ambidextrous strategy as suggested in the literature. Having though no further evidence to support such a claim these nine firms were excluded from the remaining of the analysis. Of the remaining companies the majority (56.1%) focus efforts and resources on a few new markets. Regarding their timing of internationalization, almost 80% of the sample enters gradually into new international markets.

The way the question has been asked, allows for the crosstabulation of the results, obtaining thus a clear picture of the percentages of firms following the four distinct targeting strategies. More specifically, 52% of the firms opt for a concentration strategy to a limited number of international markets in which they enter incrementally, whereas 27% of the sample chooses to diversify into a large number of markets again on a gradual pace in time. On the contrary, 12% of the firms follow a diversification strategy but deploying it on a rapid time frame, while the remaining 6% of the sample opts for a concentration strategy in the number of markets, but entering them at a very fast pace.

Having obtained the classification of the followed strategies, a discriminant analysis was employed in order to unveil the explanatory powers of the suggested in the literature characteristics of the markets, the company, the product and the competition. To use effectively the total of the 23 items and to address issues of multicollinearity, factor analysis was employed. Through the eigenvalue above 1 criterion and Varimax rotation, 9 uncorrelated factors were obtained, explaining 67.5% of the total variance. These 9 factors were used as variables for the step-by-step MDA, from which 3 Discriminant functions were derived. The classification success ratio is at 66.7%, slightly above the 64.7% threshold of pure chance, suggesting a successful classification procedure and an overall satisfactory result (Hair et al., 2009).

5. DISCUSSION

The characteristics of each strategy, as obtained by this survey, are described below.

Strategy 1. Companies concentrate their efforts and resources to few carefully selected markets in which expand incrementally

Companies that focus efforts and resources on a few carefully selected markets achieve growth through penetrating fewer markets. They choose markets with great prospects and sales volumes, and tend to enter international markets initially on an experimental basis and thus gradually build their expertise. In that respect, as late entrants, they face entrenched local competition although they are particularly averse to risk. The targeted foreign markets are demonstrating high demand prospects in relation to the domestic (Greek) market and their competitors show no tendency to cooperate. The products exported by such companies have usually longer life cycles.
Companies diversify their efforts and resources to as many as possible foreign markets in which they expand incrementally

These companies are particularly averse to risk and insist on the profitability of their export activities. They aim at high potential/mature foreign markets with well-established competitors which refuse to cooperate. The organizational structure of these companies, is designed to identify gaps in the local market quickly and easily.

Companies diversify their efforts and resources to as many as possible foreign markets in which they expand simultaneously

For companies that disperse efforts and resources in as many markets as possible, in which they enter simultaneously, exports are of paramount importance even in relation to the domestic market. The exported products, usually, have long life cycles. The organizational structure of their activities is designed to detect idiosyncrasies and problems in the foreign markets quickly and easily. Most often these companies pursue the introduction of product innovations in the international markets and try to make changes in their products gradually. Regarding their competitors in the foreign markets, they seem to be numerous, strong and well established.

Companies concentrate their efforts and resources to few carefully selected markets in which they expand simultaneously

Finally, it is concluded that companies that focus efforts and resources on fewer markets, in which they enter simultaneously, are rare in numbers. These companies appear averse to risk-taking while they standardize their products in order to penetrate the foreign markets they target. The targeted markets are characterized by a shifting marketing environment with new and diversified customer needs. That requires the development of new technological solutions coupled with the development of new market strategies. These markets offer low entry barriers and costs for the companies, but their characteristics demand for radical innovations which often lead to business advantages by offering new and innovative solutions to customers.

References


Reflecting on transformative service research in the light of service-dominant logic

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Abstract

This paper examines the emerging topic of transformative service research (TSR), which appears to be related to social marketing, and compares it with the so-called service-dominant logic (SDL). This work highlights TSR and SDL’s parallels – the holistic approach, systems thinking, addressing entities or actors within such system(s), inclusion of the wider environment, and the focus on the co-creative and interactive nature of well-being generation and value co-creation. This work also reveals some differences – TSR’s focus on eudaimonic and hedonic well-being outcomes vs. SDL’s value co-creation approach. It concludes that both perspectives have merits, but could benefit from being used integratively. Comparing theory focus, practical application, value co-creation and co-destruction, intentionality, well-being and value concepts, and TSR and SDL’s “logics”, the paper suggests future research.

Keywords: Service-dominant logic, transformative service research, value creation

1. INTRODUCTION

Transformative service research (TSR) has been labeled a “new area” in both consumer and service research (Rosenbaum et al. 2011, p. 5). It is defined as “the integration of consumer and service research that centers on creating uplifting changes and improvements in the well-being of consumer entities: individuals (consumers and employees), communities and the ecosystem” (Anderson et al. 2011, p. 3). This definition opens the field for a broad range of potential research topics and applications. However, only a few researchers have to date tried to explain, develop, and apply TSR in their research (e.g., Anderson et al. 2013; Rosenbaum et al. 2011). TSR adapts or includes research insights from related areas and other relevant disciplines. For example, social marketing’s scope, goal, and use of the marketing mix seem very similar to TSR’s approach toward resolving similar societal well-being issues (see Fisk, Rosenbaum, Zainuddin, & Russell-Bennett, 2014, for a comparison). Further, TSR has been conceptualized at the intersection of transformative consumer research and service research (Anderson et al. 2013). On the other hand, service-dominant logic (SDL) offers a value concept (e.g., Vargo and Lusch 2004), which seems similar to the creation of “uplifting changes and improvements” (Anderson et al. 2011, p. 3) found in TSR literature. For example, when Ostrom et al. (2010) discuss improving well-being through TSR, they also mention the co-creation of value to achieve this. This paper thus initiates a discussion of the theoretical TSR framework and its relationships to SDL. It compares TSR with SDL to deepen scholars’ understanding of these approaches’ potential relatedness, their research aims, and intended outcomes. In addition, it scrutinizes the connection between these concepts. As such, the paper offers guidance on how to interpret TSR in the light of SDL and presents future research avenues for both approaches and provides a new perspective on the most recent perception of TSR.

2. The Emergence of TSR

Since the early beginnings of mankind, humans have striven to improve their well-being and, hence, the quality of their lives. Well-being is not possible without service consumption (Ostrom et al. 2010). (Re)Establishing well-being can either relate to the satisfaction of lower-level, basic needs (e.g. through clean air), or to a higher needs level such as esteem needs (e.g., through the high-end plastic surgeon they visit). In either way, consumption facilitates a myriad of purposes and consequences (Mick et al. 2012). Originally, scholars contributed to consumer “well-being” by merely providing product testing and advice, after which scholarly consumer research emerged in the middle of the 20th century. From these beginnings, transformative consumer research (TCR) evolved aimed at conducting research on the welfare of consumers, societies, and the environment at large (Mick 2006). Recently, TCR has attracted new attention in order “to fill gaps and overcome some of the fragmentation and separation that characterize the field of consumer research in the essential domain of well-being” (Mick et al. 2012, p. 5). Since service organizations have been and still are criticized for ignoring or harming consumer well-being (Rosenbaum et al. 2011), a rethinking process has been called for in service research to address the role services and service can play in enhancing and improving humans’ lives rather than being potentially harmful or destructive (Anderson et al. 2013). Some research has started to concentrate on these well-being issues (e.g., Ozanne and Anderson 2010; Rosenbaum et al. 2007), but many more services have well-being implications, such as financial services (see Anderson et al. 2013; Rosenbaum et al. 2011).
3. Comparing the TSR and SDL according to TSR’s four Dimensions

In the TSR research strand, services and service are a means of improving individual well-being (e.g., of the consumer), as well as collective welfare (e.g., of society). TSR applies marketing tools and aims to “solve real problems” (Mick 2006, p. 1) to improve the lives of these parties. Anderson et al. (2013) propose a framework of four different dimensions to conceptualize research into well-being: service entities, consumer entities, the macroenvironment, and well-being outcomes. We next relate these four dimensions to Vargo and Lusch’s (2004, 2006, 2008a, 2008b) SDL approach for a comparison. TSR and SDL both relate to service entities or actors on the “provider side,” which facilitate co-creation for other entities, such as consumer entities or other actors. These entities or actors can interact with one another on different system levels. Equally, TSR and SDL refer to actors as “receivers” of service provision, whether they are called “consumer entities” (TSR) or “beneficiaries” (SDL). SDL later disregards such distinction labeling all the entities involved as actors who integrate their resources. Both approaches view the macroenvironment as extant, with TSR referring to it as an enabler or inhibitor of well-being. SDL takes a system view and highlights service system viability, as well as viewing the system as part of a wider system and interacting with a multiplicity of other systems. In TSR and SDL, well-being outcome and value is co-created through the interaction of the entities or actors on the various system levels for the benefit of the parties involved. TSR highlights two types of well-being outcomes: eudaimonic and hedonic. TSR also distinguishes between well-being efforts’ intentional and unintentional effects. Both approaches appear to be very similar when the four dimensions are used as a means of comparison.

4. General Evaluation of TSR and SDL

Theoretical Focus: TSR aims at closing the gap left by transformative consumer research when addressing the role of service(s) by integrating consumer and service research (Anderson et al. 2013). SDL aspires to develop a new perspective or view for the marketing and management disciplines (Vargo and Lusch 2011).

Practical Focus: TSR aims at solving “real problems” (Mick 2006, p. 1). Anderson et al. (2013) list numerous examples and areas where TSR can be applied by specifically highlighting three of them (financial services, social services, and healthcare) without being exclusive. SDL aims at grounding a theory, but also a practice in service-dominant logic thinking; further SDL can be applied via mid-range theory (e.g., design thinking) (Vargo and Lusch 2014). SDL is an attitude and has to be understood before it can be applied to practical problems.

Positive vs. Negative Well-being or Value: In their TSR publication, Rosenbaum et al. (2011) note that the facilitation of some entities’ well-being can be detrimental to the well-being of others. In respect of SDL, Vargo and Lusch (2008a) state that value is always co-created interactively. Echeverri and Skålén (2011) suggest two possible outcomes of such interactive processes, which can result in value co-creation and value co-destruction outcomes.

Intentional vs. Unintentional Co-creation: TSR posits that intended value creation efforts to generate or improve well-being for some can also result in unintended well-being outcomes for others (Anderson et al. 2013; Rosenbaum et al. 2011). Vargo and Lusch (2008a) state that service-for-service exchange masks all interactions. Their approach is more “directional,” as these interactions are either dyadic (direct service-for-service exchange), triadic (indirect service-for-service exchange), or more complex (both direct and indirect service-for-service exchanges) (Chandler and Vargo 2011). Lepak et al. (2007) relate to “intentionality of value co-creation”, a term this paper introduces, as value creation within and across system levels. Value co-creation is a different process at the societal level than at the individual or organizational level (Lepak et al. 2007, p. 186).

Creation of Well-being or Value: TSR and SDL both focus on an interactional approach to well-being or value co-creation. Other authors mention that value creation can also be unilateral, actors can be either active or passive in the value creation process, and value can either be an activity-based or a mental experience (Heinonen et al. 2013).

“Logic” of the Approaches: TSR aims at transforming consumers’ lives through service and services, which is founded on the human dignity concept (Anderson et al. 2013). TSR focuses on the well-being of consumer entities – individuals, communities, and the ecosystem. Hence, the transformational service perspective appears mostly consumer centric, especially because TSR professes to create “uplifting changes and improvements in the well-being” of those entities (Anderson et al. 2011, p. 3). Interestingly enough though, this new approach is inherently service centered, visible in its “branding” as “transformative service research.” Vargo and Lusch (2004) state that their approach is the evolution from a goods-dominant logic to a service-dominant logic. Although Vargo and Lusch (2008a) suggest that the SDL perspective is inherently customer oriented and relational, service remains the underlying rationale. Consequently, the new logic is called “service-dominant logic”. Are SDL and TSR thus service centric, because service is the underlying logic?
In SDL and TSR, interactions create value or well-being for entity/ies or actor/s, while – for TSR – outcomes for others are inadvertent. For SDL, TSR’s well-being tenet appears to represent another approach to value and value (co-)creation.

5. Reflecting on the Future

This paper suggests that, although it might be difficult to decide which of the approaches is more exclusive or inclusive or more encompassing, a unified approach is to be called for. This is to prevent compartmentalization. An attempt for integration or infusion should be made. Certainly, both approaches in their own right could add to current knowledge and help provide progress in how we theorize about and apply value or well-being co-creation in service research in times of social change (Lefebvre 2012) but it might further add to fragmentation within and across disciplines and muddy the waters. In the following, we highlight areas which deserve further development.

The first call is to further develop the theory. SDL appears to be evolving into a grand “theory.” Here, TSR can make use of concepts and perspectives already developed, such as systems thinking, and apply these to the micro and to the macro levels of the well-being concept. Second, both approaches – one further advanced, the other one in its infancy – require more application and connection to practice. More empirical work, such as specific cases on well-being and value co-creation, but also the operationalization of constructs and concepts, is important. Third, positive and negative well-being or value has not had enough attention. Service research is specifically not sufficiently focused on negative well-being outcomes or value co-destruction and their implications for individual actors or entities, as well as on communities and society. Related to this, the intentionality of well-being and value co-creation efforts needs much more attention. Unintended outcomes, which are potentially harmful, have to be more closely investigated, and measures need to be found to re-direct or contain such spill-over effects if detrimental to well-being and perceived value. Furthermore, the formation or (co-)creation of value and well-being deserves more consideration. Different degrees of participation or activity in well-being or value co-creation efforts have not specifically been given enough thought. Additionally, how value or well-being is perceived requires more scholarly work in service research and service science. Finally, it is important that the service dominance in both (the names of the) TSR and SDL concepts does not dilute their focus. Ultimately, it is the individuals, community and society whose well-being and perceived value should be the centerpiece of service researchers’ efforts.

6. Conclusion

While scholarly inquiries into the role of services and service outcomes are gaining momentum, current research is undecided regarding how to consider TSR in current thinking and existing research models. This paper connects TSR with SDL for a better understanding of their research aims and outcomes. In addition, this paper scrutinizes the connection between these concepts when TSR-related research is subsequently conducted. Some limitations have to be kept in mind. The scope of this paper was to synthesize parts of SDL and TSR used in service research. This approach was “exclusive” and disregarded all other research fields in service and related sciences. This paper did not attempt a comparison of TSR with social marketing as it is already offered elsewhere (Fisk, Rosenbaum, Zainuddin and Russell-Bennett, 2014). Additionally, no assessment of customer-dominant logic (Heinonen et al. 2013) and TSR was undertaken, while other related concepts, such as the service logic by Grönroos(2006; Grönroos and Voima 2013), were also not taken into account. Scholars should strive to develop a coherent understanding of TSR and its relationships with these and other approaches. More research is needed to fully understand the complex relationships between the two concepts of TSR and SDL.

References


How marketing performance measurement system influences the development of adaptive marketing capability?

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Abstract
Marketing performance measurement systems (MPMS) represent a systematic and tailored approach to measure and monitor marketing performance and to ensure the measures are aligned with firms’ marketing strategy. The relationship between MPMS and firm performance has attracted considerable attention, though the mechanisms underlying the MPMS-performance relationship are not exhaustively explored. Based on the dynamic capabilities theory, this framework presents a model with adaptive marketing capability as the mediator in the MPMS-performance linkage. The objective is to understand how and under what circumstances MPMS lead to better firm outcomes.

Keywords: Marketing performance measurement system, adaptive marketing capability, firm performance, mediating effect

1. INTRODUCTION
Marketing performance measurement practices have received considerable attention for over two decades. However, attempts to develop an effective marketing performance measurement system (MPMS) have been limited as evidenced in recent reports that 80% of CEOs are not satisfied with their current ability to measure marketing performance (CMO, 2009) and 77% CEOs believe that their CMOs fail to link marketing activities to meaningful results (Fournaise Marketing Group, 2013).

While there are several dominant streams of studies on MPMS, such as the design and necessary attributes of MPMS (Homburg et al., 2012; Morgan et al., 2002), the mechanism through which MPMS contributes to firm performance (Homburg et al. 2012) and the adaptation of MPMS based on internal and external conditions (Frösén et al., 2013), the central focus of the current research is on understanding how to utilise MPMS to achieve better firm performance. Although there is no clear consensus on the definition of MPMS, drawing on the control system theory and previous studies (Lamberti & Noci, 2010; Morgan et al., 2002), the authors define MPMS as “an important organizational control system that senior management uses to measure marketing activities through a bundle of interrelated key marketing metrics, in order to monitor, control marketing performance and ensure that marketing resources are allocated and marketing strategies are implemented to achieve the desired goals of an organization”.

Research on MPMS has made considerable progress in linking MPMS and firm performance (Chenhall 2005; Homburg et al. 2012; Mahama 2006). Researchers have investigated the various roles played by MPMS in improving firm performance. Mediators in the MPMS-performance linkage such as market knowledge, strategic alignment, organizational learning, cross-functional collaboration and knowledge sharing, and market orientation, have been revealed in the existing literature (Clark, Abela, & Ambler, 2006; Homburg et al., 2012; Verhoef & Leeflang, 2009). So far, we have some understanding of the mechanism underlying the MPMS-performance linkage, though some issues remain under-explored. There is still a gap in how MPMSs influence firm performance, the so called “indirect effects”, especially from a capability-development lens. As noted by Homburg et al. (2012), “the development of more sophisticated research models that take into account indirect effects (of MPMS) on firm performance and contingent factors” (p. 57) should be emphasised in the marketing literature.

Taking the work of Homburg et al. (2012) as the point of departure, this framework tends to examine the process in which specific firm-level capabilities generated from MPMSs affect firm performance. Drawing on the Dynamic Capabilities (DC) theory (Day, 2011), this study posits that MPMSs positively influence firm performance through their impact on the development of adaptive marketing capability. Even though no empirical evidence supports the direct link between MPMS and marketing capabilities, empirical studies reveal the positive role of MPMSs in enhancing firms’ ability to learn from the market, respond to market changes, and share knowledge within the organization, which are found to be positively related to adaptive marketing capability (Oktemgil & Greenley, 1997; Setia et al., 2013). This current study looks at the mediating effect of adaptive marketing capability, which has received greater attention recently due to its role in enabling firms to respond quickly to the increasingly dynamic environment.

The primary objective of the paper is to investigate the mediating effect of adaptive marketing capability in the MPMS-performance relationship. The contribution of the current study is to present a model that bridges the gap of our
knowledge of the mechanism underlying MPMS-performance linkage through a capability-development lens (Figure 1). By examining firm-level capability, scholars are able to further explore the indirect effect in the MPMS-performance relationship. In addition, by looking at the impact of contextual factors on the MPMS-performance linkage, we are able to go beyond a firm’s internal mechanism as often studied in the MPMS literature.

Figure 1 A Conceptual Framework Linking MPMS and Firm Performance

2. AN INTEGRATED CONCEPTUAL FRAMEWORK

The model looks at three important attributes of MPMS-comprehensiveness, measurement quality, and marketing controls- and their impact on firm performance. Taking a dynamic capabilities view, this study posits that MPMS enhances firm performance by developing adaptive marketing capability that enables firms to cope with the changing external environment. Four contingencies are also included in order to echo the call for research on the contingency-based relationships between MPMS and firm performance.

2.1 Comprehensiveness

Similar to other control systems, MPMS emphasizes the “comprehensiveness” of marketing performance measures, which link marketing measurement practices to business strategies. Marketing scholars also note that in order to measure marketing performance, firms need to use multiple and interrelated marketing metrics (e.g., output, input, financial, non-financial) to reflect marketing strategies and reveal causal relationships.

The multiple measures provide various sets of feedback and environmental information to firms. The information is valuable because it increases firms’ market knowledge, enhances organizational learning, and aids in decision making, thus ultimately influencing firm performance (Clark et al., 2006; Homburg et al., 2012; Krush et al., 2013; McEwen, 2008; Morgan et al., 2002; Tung et al., 2011). According to the strategy-focused organization (SFO) theory, MPMSs are introduced as an effective tool to translate marketing strategy into operational objectives and measurable targets (Kaplan & Norton, 2001), enhance firms’ ability to formulate and implement marketing strategies (Micheli et al., 2011), and enable firms to achieve strategic alignment. The causal models describe the cause and effect within marketing-relevant parts of the value chain, which provide valuable information for decision making and organizational communication (Malina & Selto, 2001). In addition, comprehensive measures help employees better understand and clarify their roles, leading to superior staff related performance (Burney & Widener, 2007; Tung et al., 2011). These analysis leads to the following hypothesis:

Proposition 1: A comprehensive MPMS is positively related with firm performance.

2.2 Measurement Quality

Scholars have called for research on the measurement quality of MPMS for decades (Chenhall & Morris, 1986). As indicated in the literature, control systems are crucial in management processes due to their roles in communicating organizational strategies, decision making, environmental scanning, and organizational learning (Ahn, 2001; Kaplan & Norton, 1996; Malina & Selto, 2001). Therefore, information quality plays a vital role in the effectiveness of MPMS.

Firstly, Scholars argue that information quality is positively associated with decision making performance (O’Reilly, 1982). The use of performance measures leads to better strategic decision making if the measurement information provided is reliable and accurate (Artz et al., 2012; Nelson et al., 2005). Secondly, timely information is needed for periodic benchmarking inside and outside of the firm. It enhances marketers’ ability to report upon the most up-to-date performance information and thus influences their ability to respond to changes in the market and customer preferences (Chenhall & Morris, 1986; Luca & Atuahene-gima, 2007). Thirdly, the accessibility of information is highly related to the frequency of information usage (Daugherty et al., 1995). Research indicates that the easily-accessible information will be used more frequently regardless of its quality (O’Reilly, 1982). Greater information accessibility enhances
firms’ response speed to customers’ needs, thus improving firm performance (Daunt & Harris, 2012). Therefore, in line with the prior research, this study proposes the following hypothesis:

**Proposition 2:** Measurement quality of MPMS is positively associated with firm performance.

### 2.3 Tightness of Marketing Controls

Marketing controls do not work in isolation and they are “most effective when the formal and informal techniques are skillfully blended” (Anthony 1952, p. 47). Firms can combine two types of controls flexibly—management-initiated formal controls (e.g., output control, process control) and culture-based informal control (e.g., professional control, cultural control). High control is associated with high levels of formal control and informal control, while low control is a combination of low levels of formal and informal controls.

Most research on the outcomes of control combinations looks at the individual-level outcomes, such as job satisfaction and in-role performance (e.g., Cravens et al., 2004; Jaworski et al., 1993). For example, high controls are found to be more effective in increasing employee satisfaction as they significantly reduce employees’ role conflict and ambiguity (Jaworski et al., 1993). The finding is also supported by the studies of Joshi and Randall (2001) and Cravens et al. (2004) who further suggest that high control is most effective in improving employees’ affective commitment and reducing role stress and burnout.

There is limited conceptual and empirical evidence on the effects of control combinations on firm-level performance, even though previous studies provide some empirical evidence on the positive relationship between control combinations and firm-level performance such as export channel performance (Bello & Gilliland, 1997), outsourcing performance (Kang et al., 2012), suppliers’ performance (Ryu & Eyuboglu, 2007). Due to its positive impact on both individual performance and firm performance as evidenced in the literature, the next hypothesis is suggested:

**Proposition 3:** The tightness of control systems is positively related to firm performance.

### 2.4 Adaptive Marketing Capability

Various definitions have been used in the management and marketing literature to define the notion of adaptive marketing capability. Three leading streams in the marketing literature define adaptive marketing capability as 1) a firm’s ability to identify market opportunities (Biedenbach & Müller, 2012; Oktemgil & Greenley, 1997; Wang & Ahmed, 2007), 2) a firm’s ability to sense and respond to environmental changes in a swift way (Gibson & Birkinshaw, 2004; Ma et al., 2009; Wei & Lau, 2010; Zhou & Li, 2010), 3) a continuous learning process which allows firms to innovate and compete (Akgün et al., 2012). However, the definition is all in line with Day’s (2011) argument that adaptive marketing capability is embedded in outside-in management processes, and allows firms to respond to changes quickly and explore new opportunities.

Firms with a comprehensive MPMS tend to respond more quickly to market changes. The comprehensive system enables firms to adopt comprehensive decision making style, which is found to be positively associated with adaptive marketing capability (Oktemgil & Greenley, 1997). As indicated above, high quality information enhances firms’ ability to respond to market changes and explore new market opportunities, e.g., new trends (Daugherty et al., 1995; Luca & Atuahene-gima, 2007; Setia et al., 2013). Previous studies show that firms with less tight controls are more likely to share knowledge for adaptive actions and encourage employees to adjust to changes. As Wei & Lau (2010) comment, “this (adaptive marketing capability) is best achieved by a mechanism that enables and motivates people to make efforts to identify and solve problems collectively and effectively” (p. 1491), therefore, we expect that a firm with less tight controls is more likely to develop a higher level of adaptive marketing capability (Akgun et al., 2012; Gibson & BirkinShaw, 2004).

Adaptive marketing capability results in superior firm performance because it enables firms to leverage existing resources and capabilities by adapting to new environment and exploring new opportunities. For example, by learning from the external partners or environment, firms generate new insights into how to react to market changes quickly (Day 2011). Empirical evidence supports the positive impact of adaptive marketing capability on short-term project success and project portfolio performance (biedenbach & Muller, 2012), marketing performance, e.g., market share, sales growth (Oktemgil & Greenley, 1997), and innovation performance (Akgun et al., 2012; Wei & Lau, 2010). Based on the above reasoning, this study proposes that:

**Proposition 4:** Adaptive marketing capability mediates the MPMS-firm performance linkage.
2.5 Contingencies

According to the contingency theory and DC theory, the effectiveness of management practices in improving firm performance depends on certain external and internal environment (Fisher, 1998; Frösén et al., 2013; Ittner & Larcker, 2001). When the environment becomes less predictable and more turbulent, for example, customer preferences and competitor campaigns change quickly, the need for MPMS in a turbulent environment is more crucial than in a stable environment. Firms will rely more on MPMSs to provide up-to-date information regarding their competitors and customers (Chenhall & Morris 1986). The measurement information helps firms to develop adaptive capability to respond to the changes and uncertainty quickly, thus helping firms to survive and succeed.

With regards to the moderating effect of environmental turbulence on the capability-performance linkage, this study proposes similar effect as above. When the environment changes dramatically, firms need to adjust to the changes and reallocate their internal resources with external environment in an attempt to survive. For firms with a higher level of adaptive marketing capability, they are more likely to adapt to the changing environment and succeed. So the impact of adaptive marketing capability on firm performance is more significantly in a more turbulent environment than in a less turbulent condition. Therefore, this study proposes that:

**Proposition 5:** Market turbulence strengthens the relationships among MPMS, adaptive marketing capability and firm performance.

**Proposition 6:** Competition intensity strengthens the relationships among MPMS, adaptive marketing capability and firm performance.

3. IMPLICATIONS AND CONCLUSIONS

The model has applied the DC theory to explain variance in firm performance in the marketing performance measurement literature. As such, the model has some important implications for researchers and practitioners.

Theoretical implications (1) While market learning has been discussed in theorizing the linkages between MPMS and firm performance, less attention has been paid regarding how MPMS is used to enhance firms’ capability in ways that match the turbulent environment (Morgan, 2012). Thus, the mediating effect of adaptive marketing capability in the MPMS-performance linkage is a significant contribution to the marketing literature. (2) The addition of measurement quality and control combinations is another innovation of this framework. No single study has ever brought together these attributes of MPMS and explored their joint impacts on firm performance. The framework adds more insight into how specific attributes of MPMS contribute to firm performance in different contexts, providing a template for firms to design their own MPMSs. (3) The literature reveals a relatively large number of studies calling for the design of a contextual MPMS, a tailored MPMS that takes into consideration both internal and external environment. However, relatively few studies have incorporated contextual factors into the MPMS-performance linkage. This framework supports the contextuality of MPMS by integrating key contextual factors in explaining the MPMS-performance relationship.

Managerial implications The study has important implications for managers to consider how they should use MPMS to make sure “what gets measured gets done”. On the one hand, the framework explicates which specific attributes of MPMS may be more influential in building up adaptive marketing capability and improving firm performance. On the other hand, it provides a rationale for how specific external contingent factors are associated with dynamic capability and firm performance, which provides managers with insight into how to operate MPMS for internal management practices under different conditions.

Conclusions Developing a good understanding of how MPMS is related to firm performance is a crucial task for both academics and practitioners. The framework integrates findings from the marketing and accounting literature and applies DC theory to the marketing performance measurement literature in an effort to provide an integrated framework linking MPMS and firm performance through a capability-development lens. This study opens a new angle to understand how and under what circumstances MPMS contributes to superior firm performance through the mediating effect of adaptive marketing capability.

*Note: This is a research in progress paper. The authors are collecting quantitative data.

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Word-of-Mouth Carryover from Advertising: Durables Compared with Services

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Abstract
Part of the impact of advertising rests on its carryover effect in stimulating word of mouth (WOM). A typology is used to establish which factors elicit WOM about four durable categories. Positive WOM (PWOM) is stimulated mainly by advertising and satisfaction with the product. Negative WOM (NWOM) about durables is rarely stimulated by either advertising or dissatisfaction; instead, NWOM is elicited more by the content of conversation and the perceived needs of receivers of WOM.

These findings are compared with those for services where advertising has little stimulus effect on either PWOM or NWOM. The differences between services and durables in WOM carryover from advertising should be considered by managers when they are considering how best to promote their product.

INTRODUCTION
Keller and Fay (2012) estimate that about 25% of WOM rests on advertising and the level of word of mouth (WOM) on a product is observed to rise when it is advertised (Bayus 1985, Graham and Havlena, 2007). The research presented here shows how ad-related WOM varies between durable categories, between services and durables, and between positive and negative WOM (PWOM, NWOM) on durables. When advertising has a substantial carryover into WOM, it becomes a more attractive investment; however, if WOM is found to be more dependent on satisfaction, resources may be better directed to enhancing product quality.

Antecedents to WOM may be psychological variables such as motivations and attitudes (e.g. Dichter 1966, Sundarum, Mitra, and Webster 1998), features of the product such as quality and reliability (e.g. Anderson 1998, Feng and Zhang 2010), or contextual factors as those studied by Mazzarol, Sweeney, and Soutar (2007). Mangold, Miller, and Brockway (1999) developed a typology of mainly contextual factors stimulating WOM about services that included advertising, satisfaction/dissatisfaction with the product, perceived need for advice, conversational content, and joint decision making. East et al. (2015) used this typology to gather data on the relative frequencies of the different WOM stimuli for four service categories. The factors were set out as possible responses in a questionnaire item and respondents were asked to select the main catalyst for the last recalled instance of WOM about each service. Mangold et al.’s typology may be used in other domains than services and here it is used to establish the frequencies of the factors stimulating WOM about durables.

PAST RESEARCH RELATING TO THE CATALYSTS OF WORD OF MOUTH
Comparisons between categories
East et al. (2015) find very high associations between the frequencies of factors catalyzing WOM about different service categories. This work raises speculation about the patterns that are found for other product types. Do the catalysts of WOM about different durables also have similar frequencies? If so, it would suggest a degree of similarity between durables, as was found for services. This may not be so. Day and Ash (1979) found wide variation in the dissatisfaction with durables, which indicates one basis for differences. In addition, advertising spend varies across categories, which implies that ad-based WOM frequency will also vary. Thus, differences between durable categories could be based on variation in satisfaction and dissatisfaction with the product, or on the ad budget. The first research question is:

RQ 1: Are factor frequencies similar across durable categories?

Comparisons between durables and services
Durables require less customization than services and faults can often be corrected before delivery; as a result, durables may create little dissatisfaction. It is usually impossible to try out services before purchase so that more risk is perceived about services (Murray and Schlacter 1990). Furthermore, the precision manufacture of modern durables means that failure is rare. Also, the functions of durables can be clearly specified so that buyers know what they are purchasing. This suggests that dissatisfaction will be more common for services and that this will produce more NWOM than is found for goods but Grönhaug and Arndt (1980) found that, in Norway, public services created about half the level of dissatisfaction found for private goods. However, this relates to an earlier period and goods manufacture has probably improved since that time; in addition, public services are often freely accessed, which could reduce dissatisfaction. One other factor that could produce a difference between durables and services is the impact of advertising. When the product has tangible form, it may be easier to represent in ads and this could raise the impact and lead to greater ad spending; if so, we might expect more ad-induced WOM about durables. No clear picture emerges from this limited
research, and a comparison study between goods and services is therefore needed if we are to establish how WOM about these different product types is stimulated. The research question is:

RQ2. Are the frequencies of factors stimulating WOM about durables and services similar?

Comparisons between PWOM and NWOM
In their study of services, East et al. (2015) find that the factor frequencies for PWOM and NWOM are highly correlated (when satisfaction is used for PWOM and dissatisfaction for NWOM). East et al. (2015) point out that the comparative effect of satisfaction and dissatisfaction depends on both their relative effect in producing WOM and their relative occurrence. On relative effect, survey work by Goodman and Newman (2003) on a frequently-purchased product shows that dissatisfaction has about twice the impact of satisfaction in producing WOM; Anderson (1998) found a smaller difference with a more varied sample of products. More generally on the effect of negative information, there is evidence that “losses loom larger than gains” (Kahneman and Tversky 1984), while Baumeister et al. (2001) point to a range of phenomena where the negative form has more effect than the positive. Thus, an instance of dissatisfaction is likely to produce more NWOM than an instance of satisfaction produces PWOM but this relative effect is under-researched and may vary by category. Turning to the incidence of satisfaction and dissatisfaction, a review by Peterson and Wilson (1992), using data based on a range of goods and services, indicates that satisfaction is much more common than dissatisfaction with a ratio in the region of 10:1. However, as noted, durables are likely to cause much less dissatisfaction than services. This indicates that, for durables, satisfaction will have more overall effect than dissatisfaction and that this will be reflected in the frequencies of the factors stimulating PWOM and NWOM. Research question 3 is therefore:

RQ3: Do PWOM and NWOM about durables have dissimilar factor frequencies? More specifically, does dissatisfaction stimulate less NWOM than satisfaction stimulates PWOM?

STUDY
Survey and questionnaire items
Nine of the ten factors identified by Mangold, Miller and Brockway (1999) were used; the tenth factor was when the advice was spontaneous and no antecedent could be discerned and this was covered by the “other” response. East et al. (2015) presented the nine factors in the order of the frequencies found by Mangold et al. (1999) in half the questionnaires (Version A). In the other half (Version B), the nine factors were in reverse order. This ordering and its reversal was copied in this work because it aids comparison with the East et al. study and allows assessment of any response order effects. As in the original work by Mangold et al., the present study was restricted to received WOM.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Item for receiving PWOM*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiver’s felt need</td>
<td>He/she thought you needed the advice/comment</td>
</tr>
<tr>
<td>Coincidental communication</td>
<td>The advice just arose in conversation</td>
</tr>
<tr>
<td>Communicator’s dis/satisfaction</td>
<td>He/she was satisfied with this car</td>
</tr>
<tr>
<td>Observation of decision making</td>
<td>He/she observed you talking about or considering a car</td>
</tr>
<tr>
<td>Two or more people deciding</td>
<td>He/she was trying to decide with you or others about a car</td>
</tr>
<tr>
<td>Ad/prom about this provider</td>
<td>He/she was responding to advertising/promotion about this car</td>
</tr>
<tr>
<td>Receiver’s dis/satisfaction</td>
<td>He/she was responding to your satisfaction with this car</td>
</tr>
<tr>
<td>Third party need for a service</td>
<td>It was because a third party needed a car</td>
</tr>
<tr>
<td>Ad/prom for another provider</td>
<td>He/she was responding to advertising/promotion that was not about this car</td>
</tr>
<tr>
<td>Other (please describe)</td>
<td>-</td>
</tr>
</tbody>
</table>

* For questions on NWOM, positive was replaced by negative in the question and, in the response format, satisfied and satisfaction were replaced by dissatisfied and dissatisfaction

Data from a convenience sample of 349 respondents were gathered from locations in South-East England in the summer of 2014. The questionnaires were distributed to homes or to people in public spaces such as parks and coffee bars. Most collections occurred shortly after distribution. Nearly all respondents who agreed to help provided a completed questionnaire. No reward was used. The four durables were cars, vacuum cleaners, mobile phones and computers. Table 1 shows the main question form and the response format used, taking cars as the example category. Versions A and B of the questionnaire were alternated in the packs given to fieldworkers and this produced 174 returns of version A (with the nine items in the order shown in Table 1) and 175 responses for version B where the order of the first nine responses was reversed. The sample was 48% female and the median age was 36.

Checks
Presentation order effect
Our first concern was to check on any bias produced by the order of presentation. We computed Total WOM measures by taking the means of factor frequencies for PWOM and NWOM on all four categories. Table 2 shows these frequency measures for Versions A and B. The correlation between the frequencies of the first nine items of A and B is 0.96 (p < .001) so that there is little evidence of a presentation order effect. Note that “other” and “cannot recall receiving WOM” were always at the end of the response list.

**Age and gender**
Demographic differences were checked to see whether the factor frequencies were related to these measures. We compared those aged less than 36 (49%) with the rest. The correlation between the frequencies for the younger and older segments was 0.96 (p<.001). Thus, there is little age-based difference in Total WOM. Using Total WOM again, a correlation of 0.98 was found between the factor frequencies of men and women, so there is no appreciable gender difference.

<table>
<thead>
<tr>
<th>Table 2. Total WOM Means by Order of Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Ad/prom about this provider</td>
</tr>
<tr>
<td>Communicator’s dis/satisfaction</td>
</tr>
<tr>
<td>Third party need</td>
</tr>
<tr>
<td>Coincidental communication</td>
</tr>
<tr>
<td>Receiver’s felt need</td>
</tr>
<tr>
<td>Observation of decision making</td>
</tr>
<tr>
<td>Two or more deciding</td>
</tr>
<tr>
<td>Receiver’s dis/satisfaction</td>
</tr>
<tr>
<td>Ad/prom for another provider</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Cannot recall receiving WOM</td>
</tr>
</tbody>
</table>

**Long-term and short-term recall of WOM factors**
Factor frequencies for those recalling WOM in the last six months were compared with those whose recall was for longer than six months, with PWOM and NWOM analyzed separately. The percentages recalling in the last six months are shown in the bottom row of Table 3. For PWOM, the correlation between the response frequencies of those having long-term and short-term recall is 0.83 (p<.003), indicating substantial similarity and thus little bias from the period of recall. For NWOM, the correlation is 0.42 (p< .23), which may relate to sampling error since there were few cases recalling NWOM in the last six months.

“Other” and “No recall” responses
The “other” response was used mostly when the durable had not been bought by the respondent. “Other” and “No recall” were much more common for NWOM leaving only 246 cases for analysis across the four categories compared with 1106 for PWOM. In the main analysis below, “No recall” and “Other” responses are excluded.

**Common method bias**
When a question form is repeated in a questionnaire, as in this work, there is a danger that responses will be repeated without thought. To check on this common method bias, the most common response was selected and those who checked this on category A were examined to see how frequently they checked the same response for categories B, C, and D. For PWOM, the most common response was “ad/prom about the product” which was checked by 44%. On average, of those who selected this response for category A, 39% selected it for other categories showing no sign of common method bias. This test was not conducted on NWOM because the number of respondents selecting the most common response was low.

**Findings**
**Recall percentages**
The first numeric row of Table 3 shows the percentages of respondents who had not bought the category or who could not recall receiving WOM on the category. This is followed by the number of respondents left for analysis and the percentages are based on this number. Far more people recalled receiving PWOM than NWOM (on average 80% versus 18%). This means that the analysis of the negative WOM is conducted on a much smaller sample.

**RQ 1: Are factor frequencies similar across durable categories?**
The individual category data in Table 3 show that, in the case of PWOM, the effect of advertising differs substantially across categories but, where advertising has less effect, satisfaction has more effect. PWOM about vacuum cleaners is particularly related to the communicator’s satisfaction and PWOM on computers is exceptional because it relates most to third party need. In the case of NWOM, the pattern is more uniform and emphasizes third party need,
communication, and receiver’s felt need (though vacuum cleaners, with few cases, show a zero score for receiver’s felt need). However, despite these differences between categories, Cronbach’s alpha exceeds 0.7 for both PWOM (0.73) and NWOM (0.83). This justifies using the mean columns in Table 3 for the comparisons that follow.

<table>
<thead>
<tr>
<th>Table 3. Factor Percentages by Category for PWOM and NWOM</th>
</tr>
</thead>
<tbody>
<tr>
<td>PWOM</td>
</tr>
<tr>
<td>Car</td>
</tr>
<tr>
<td>No recall/other %</td>
</tr>
<tr>
<td>Leaving N=</td>
</tr>
<tr>
<td>% received in last six months</td>
</tr>
</tbody>
</table>

RQ2: Are the frequencies of factors stimulating WOM about durables and services similar?
To test this, the means from the East et al. (2015) study are compared with those obtained here, as shown in Table 4. When PWOM and NWOM scores are separately compared, services versus durables, the correlations are close to zero (PWOM, r = 0.13, p = 0.73; NWOM, r = 0.01, p = 0.98).

<table>
<thead>
<tr>
<th>Table 4. Percentages attributed to different factors for durables and for services (from East et al. 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PWOM</td>
</tr>
<tr>
<td>Ad/prom about this provider</td>
</tr>
<tr>
<td>Communicator’s dis/satisfaction</td>
</tr>
<tr>
<td>Third party need</td>
</tr>
<tr>
<td>Coincidental communication</td>
</tr>
<tr>
<td>Receiver’s felt need</td>
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<td>Two or more deciding</td>
</tr>
<tr>
<td>Receiver’s dis/satisfaction</td>
</tr>
<tr>
<td>Ad/promo for another provider</td>
</tr>
</tbody>
</table>

RQ3: Do PWOM and NWOM about durables have dissimilar factor frequencies? More specifically, does dissatisfaction stimulate less NWOM than satisfaction stimulates PWOM?
When the mean frequencies of factors stimulating PWOM and NWOM are correlated there is no significant relationship (r = –.15, p = .69). When this test is repeated for each category separately the associations are again trivial, except for computers where the association approaches significance (r = 0.58, p = 0.1). Inspecting the mean data in Table 4, it is apparent that advertising/promotion has substantial effect on PWOM but little effect on NWOM. Likewise, communicator satisfaction has much more effect on PWOM than dissatisfaction on NWOM, which answers the secondary question above. Compared with PWOM, NWOM on durables appears to be based more on coincidental conversation and the needs of others.

DISCUSSION
Managers need to know how much advertising and dis/satisfaction stimulate WOM if they are to allocate resources efficiently. First, we need to know whether there is uniformity across durable categories as was found for service categories by East et al. (2015). We find that there is a significant uniformity across durable categories but this is not very strong and managers would need data on their category rather than a durable average in order to make sound decisions. Second, this work shows that the frequencies of the factors stimulating WOM about durables are quite different from those for services. The principal reason for this is that PWOM for durables is much more dependent on advertising than services. In services, satisfaction and dissatisfaction are much more important than advertising in inducing PWOM and NWOM respectively. In durables, satisfaction induces PWOM but dissatisfaction has little effect on NWOM. Third, we find that the frequencies of the factors inducing PWOM differ from those inducing NWOM in durables. PWOM is mainly elicited by advertising and satisfaction whereas NWOM for durables relates mainly to the needs of third parties and the flow of conversation. Ad messages contain positive material that may be passed on as PWOM. Thus, the finding that advertising has little effect on NWOM confirms expectation.

Why does durable advertising induce PWOM when this effect is largely absent for services. We speculate that this difference relates to the weight of advertising used and the effectiveness of ads on tangible products where it may be...
possible to create clearer benefits and sharper mental representations of the product. The evidence also suggests that service suppliers should be concerned about avoiding dissatisfaction. This was a conclusion reached by Anderson, Fornell and Rust (1997) in modeling that took account of the degree of customization and standardization that was possible in each product type.

The evidence that advertising is the main basis for PWOM about durables suggests that ad copy should be tested for its effect on PWOM because this carryover may substantially add to the sales effect of the advertising.

PWOM about durables is also strongly dependent on satisfaction. One may surmise that this satisfaction derives from features such as reliability, effectiveness, and quality, so that suppliers indirectly affect PWOM through their control on product quality.

There is far more PWOM than NWOM on durables though the ratio varies from category to category. In total, the number of PWOM instances is 1106, which compares with 246 instances of NWOM. This suggests a ratio of 4.5 to 1 if the frequency of receiving PWOM is the same as that for receiving NWOM. However, frequencies tend to fall with penetration (Ehrenberg 1988). This suggests a ratio considerably greater than 4.5 to 1. This high ratio appears to be because there is little dissatisfaction with modern goods and because ad copy has a strong effect on PWOM but little effect on NWOM. A practical implication of this finding is that durable manufacturers should be less concerned about NWOM than PWOM because there is less NWOM to do damage. Related to this, both East et al. (2008) and Sweeney et al. (2014) found that NWOM had less impact than PWOM on purchase disposition.

Market research has been slow to provide data on the factors that stimulate WOM in different categories and product domains. As a result, marketing practice has been ill informed. We now have evidence on services and durables but further work on more categories and on frequently purchased goods is needed to fill out the picture.

REFERENCES
Impulse Buyers, Online Shoppers? Predicting Chinese Consumer Online Purchase Intention with Perceived Risk, Fashion Innovativeness, and Impulse Buying Traits

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Abstract
This study proposes that individual impulse buying traits should be the strongest predictor of online shopping intention of Chinese consumer in comparison to consumer perceived risk and fashion innovativeness. A survey was conducted on a convenience sample of 249 Chinese consumers, and Hierarchical Multiple Regression was used to analyse the data. Results show that affective impulse buying trait is the most significant predictor of purchase intention, and perceived financial risk and perceived product risk cannot predict online purchase intention of the Chinese consumers. The study provides theoretical contribution on Chinese consumers’ online fashion shopping intention and practical implication for international retailers.

Keyword: Perceived risk, Fashion innovativeness, Impulse buying, Chinese consumer, online shopping

1. INTRODUCTION

According to the KPMG (2014), China is already the biggest market for e-commerce, and by 2015, e-commerce transactions in China could reach USD 540 billion, and by 2020, China’s e-commerce market is forecasted to be larger than those of the US, Britain, Japan, Germany, and France combined. The significance of Chinese market has called for more studies on Chinese online shopping behaviour.

Perceived risk has been studied intensively in the online shopping context, including in the context of Chinese consumers (e.g. Clemes, Gan, & Zhang, 2013). Scholars also found that how perceived risk influences Chinese consumer online shopping acceptance may vary according to other external factors such as product or service types (Lian& Lin, 2008). Moreover, this study argues that individual impulse buying traits will have impacts on how perceived risk influences online shopping intention, as the facets of impulsivity is clearly relevant to the disposition of general risk taking behaviour (e.g. Zuckerman & Kuhlman, 2000) such as consumer innovativeness (Phau& Lo, 2004; Tellis, Yin, & Bell, 2009). However, these psychological-related factors of online shopping are less studied in the Chinese context.

Collectivist consumers such as Chinese were found to have lower impulse buying tendency in comparison to Individualist consumers (Kacen& Lee, 2002). Yoon (2009) also stated that due to the high uncertainty avoidance and long term orientation cultural values, Chinese online shoppers require more perceived trust for their online shopping as they usually perceive e-commerce as having uncertain outcomes. However, this study proposes that within the culture, individual differences on impulse buying traits should influence how individuals perceive risk and further predict individuals’ online shopping intention. The research objectives of this study are therefore to determine the strength of the predictors that influence Chinese consumers’ online purchase intention for fashion, including impulse buying traits, perceived risk, and fashion innovativeness.
2. Literature Review

2.1 Perceived risk

Perceived risk of online shopping can be seen as a multidimensional construct, involving various types of risk, including financial risk, social risk, product-related risk, time-related risk, and performance risk (Choi & Geistfeld, 2004). Financial risk of online shopping has been studied widely. For instance, Stone and Gronhaug (1993) identified that providing the credit card number could be a form of financial risk perceived by consumers, and the chance of higher product costs could also be one type of financial risks (Crespo, Del Bosque, & de los Salmones Sanchez, 2009). For fashion products such as clothes and accessories, the inability of direct product experience in the online shopping environment may increase the perceived product risk and further influence purchase intention (Yu et al., 2012). Finally, time and convenience risk has also been found to have negative impact towards intention and frequency of purchasing (Forsythe et al., 2003).

H1. Consumer perceived risk will influence Chinese consumers’ online fashion purchase intention.

2.2 Fashion innovators and fashion online shopping

Consumer innovativeness is the degree to which an individual is willing to experience or accept a new and different product (Goldsmith et al., 2003). Fashion innovators, not only they are more likely to be impulse buyers, they were also found to be more risk-taking and would be more willing to shop online (Phau & Lo, 2004). Since online shopping can certainly be the fastest form of buying fashion items, fashion innovativeness may be the key determinants of online fashion shoppers due to their characteristic of wanting to obtain first-hand fashion items.

H2: Consumer fashion innovativeness will influence Chinese consumers’ online fashion purchase intention.

2.3 Impulse buying and online fashion shopping

Rook (1987) defines impulse buying as “when a consumer experiences a sudden, often powerful and persistent urge to buy something immediately” (Rook, 1987, p.191). Previous impulse buying researchers also see impulse buying as a personality trait. The impulse buying trait is therefore often used as the key dependent variable in the impulse buying literature (e.g., Rook & Fisher, 1995; Beatty & Ferrell, 1998). The concept of “individual trait” also suggests that impulse buying is a behavioural pattern. Thus, we can assume that an individual with high impulse buying trait should also exhibit impulse buying behaviour in various shopping settings, including online shopping. Moreover, many known factors of online purchase intention are found to be related to individual impulse buying traits in literature, including innovativeness (e.g. Phau & Lo, 2004) and variety seeking (Sharma, Sivakumaran, & Marshall, 2010; Punj, 2011). Scholars also found that people who are involved in fashion are more likely to exhibit higher impulse buying tendency toward fashion items (Park et al., 2006). These findings have led to the hypothesis of this study - individual impulse buying traits should be the dominant predictor of online shopping intention. Thus, this study proposes that impulse buying trait should be a significant individual variable to predict online purchase intention.
H3: Consumer impulse buying trait will be the strongest predictor of Chinese consumers’ online fashion purchase intention

3. Method

An online survey was sent to 250 convenience samples via emails or Facebook, and 249 questionnaires were completed and usable for the empirical analysis. All of the respondents are from the urban area of Mainland China where various shopping channels are available, as Phau and Lo (2004) stated that urban population is important for the study of online purchase intention. Out of the 249 respondents, 42.6% were males and 57.4% were females. The age groups of the respondents include 18-22 (20.9%), 23-30 (53.0%), 31-40 (18.9%), and above 40 years old (7.2%).

3.1 Measure

The questionnaire consists 3 socio-demographic questions (sex, age, and occupation) and other scales using a 5-point Likert scale measuring (Strongly Disagree; Disagree; Neither Disagree nor Agree; Agree; Strongly Agree). The scales are introduced below:

3.1.1 Perceived Risk

Consumer perceived risk was measured with 3- factor scale that consists 16-items was adopted by Forsythe et al. (2006). The emerging three dimensions in the scale include financial risk (7-items), product risk (6-items) and time convenience risk (3-items). The scale measured, for example, credit card security (financial risk); anxiety about the quality and fitness of the product (product risk), and time spent in searching and finding a credible web site (time/convenience risk). Since this study is investigating fashion online shopping in particular, the word “fashion” was added to each item in the scale. All 3 scales of perceived risk has shown satisfying Cronbach’s Alpha for reliability test (Financial risk: 0.892 Product Risk: 0.844 Time/Convenience Risk: 0.738).

3.1.2 Fashion Innovativeness

Fashion innovativeness was measured by the 6-item Domain Specific Innovativeness Scale (D.S.I.). It was developed by Goldsmith and Hofacker (1991) and used in Phau and Lo’s study (2004) on fashion innovativeness (e.g. If I heard that a new fashion style was available in the store, I would be interested enough to buy it) with Cronbach’s Alpha as 0.8202.

3.1.3 Impulse Buying Traits

This study adapted the 14 items- scale of impulse buying from Coley and Burgess (2003). The Affective Impulse Buying scale includes 3 factors: irresistible urge to buy, positive buying emotion, and mood management. Cognitive Impulse Buying measures cognitive deliberation, unplanned buying, and disregard for the future. Coley and Burgess
(2003) reported overall satisfying Alpha for reliability (0.479-0.81), although “irresistible urge” was found to have lower Alpha and was noted to interpret with caution in their study.

3.1.4 Purchase Intention

Two items adapted from Hsu et al (2012) were used to measure consumer online purchase intention. Items include “I will frequently shop online” and “I will strongly recommend others to shop online” with the Cronbach’s Alpha as 0.720.

4. Results

Hierarchical multiple regression was conducted to test the hypotheses. The independent variables were entered in three steps. At step 1, only variables of perceived risk were entered to the model, and the results showed that among all the perceived risk variables, only time risk was found as a significant predictor of online shopping intention (ß= -.229; p < 0.01; R = .249). Therefore, H1 is only partially supported. At step 2, fashion innovativeness was added to the model as another predictor of online purchase intention. The results showed that there was an improvement in the variance explained and fashion innovativeness is a significant predictor of online purchase intention (ß = .177; p < 0.01; R = .305). Thus, H2 was supported. Finally, cognitive and affective impulse buying traits were added to the model at the step 3. The results revealed that there was an improvement in the variance explained, however, only affective impulse buying was found as a significant predictor of the model (ß = .255; p < 0.001; R = .405). Cognitive impulse buying was found as not significant contributors to the model (p = 0.053).

5. Discussion

This study are not consistent with the previous literature, as the results show that only time/convenience risk (e.g. “pictures take too long to come up”) is a significant predictor for online purchase intention. For instance, Forsythe and Shi (2003) reported that the risk that most online shoppers considered is product risk, while most online browsers cited financial risk most frequently. One study found that perceived risk is the most important factor of online shopping adoption in Beijing, China (Clemes et al., 2013). Another study also supported the findings of Clemes et al. (2013) and revealed that perceived risk, especially regarding product quality, delivery, and time, is one of the major reason for Chinese online shoppers to abandon or switch shopping websites (Zheng et al., 2012). Nevertheless, the results of this study further confirmed that perceived risk of “time” as one important risk perceived by Chinese online shoppers.

The results of fashion innovators and their online purchase has revealed that e-commerce of fashion has indeed evolved rapidly in the past decade. Ha and Stoel (2004) reported that general innovativeness is related to internet usage for information search, but not to actual purchase. In this study, fashion innovativeness is found to be a better predictor of online purchase intention than perceived risk. One study suggested that consumers who have higher fashion innovativeness and materialism are more likely to purchase foreign goods, and therefore online shopping becomes one of the most-used channels for their fashion shopping (Park et al., 2007). This could explain why fashion innovativeness was found to be positively related to online purchase intention in this study.

Finally, this study has found that only affective impulse buying could successfully predict online shopping intention, but not cognitive impulse buying. In Coley and Burgess’s study (2003), affective impulse buying factors represent the psychological components of impulse buying, such as feeling thrilled about the new purchase, feeling excited about making a purchase, or purchase in order to reduce the stress. Other studies also found that online apparel shopping is often pleasure-oriented and influenced by consumer emotions (Kim et al., 2007; Kim & Lennon, 2013). There is also
evidence shown that consumers who buy on impulse online report that they are doing something fun and exciting (Madhavaram&Laverie, 2004). The results of this study not only correspond to the previous results but also demonstrate that the affective impulse buying trait may be even a more important predictor than perceived risk for Chinese online shoppers.

6. Conclusion

This study has collected empirical data to examine Chinese online purchase intention on fashion items and its related factors. The theoretical contribution of this study is the leading role of affective impulse buying and fashion innovativeness in the context of Chinese online fashion shopping. Although previous literature has emphasized the impact of consumer perceived risk of online shopping, this study surprisingly found that financial risk and product risk cannot predict Chinese online shopping intention. Several implications can be resulted from this: firstly, the online fashion retailers should therefore focus their marketing strategy on how to effectively encourage affective impulse buying online. Secondly, fashion retailers should be aware the characteristics of Chinese fashion innovators. For instance, due to their experimental and fashion-leading characteristics, Chinese fashion innovators may use online shopping as the channel to purchase foreign goods or the items/brands that are not commonly seen in China. Fashion retailers could thus design their service/website based on this implication, such as including Chinese language function on the website, promoting limited items, and free delivery or return. Finally, this study should be seen as a preliminary study, as many individual factors such as gender or age have not been taking into account. The future study could investigate the moderating effects of these social-economic variables. Another limitation of this study will be the sample size and sampling method. Our convenience sampling might be sufficient to examine the strengths of the variables in the study, but the results cannot be generated. It is recommended that future study could adapt different sampling strategy in order to obtain representative results.

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Integration of economic and social strategy:  
Revisiting the Kohli and Jaworski’s, and Carroll’s  
conceptualisations  

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Abstract  
Purpose: This study conceptualised the integration of market orientation (MO) and corporate social responsibility (CSR) as a competitive strategy for business performance.  
Methodology: To achieve this goal, prior conceptualisations of MO and CSR in the marketing and management literature are consulted.  
Findings: A review of the extant market orientation and corporate social responsibility literature facilitate the development of a framework.  
Originality: This is rare in prior conceptualisations of the two constructs. This paper contributes to marketing knowledge through proposing a comprehensive framework integrating market orientation and corporate social responsibility for business performance.  
Contribution to knowledge: Limited frameworks exist on the integration of market orientation, corporate social responsibility and business performance. Probably, this is a pioneering study that postulates common factors predicting market orientation and corporate social responsibility in a single mode explicitly.  
Key words: Market orientation, corporate social responsibility, integration, economic and social strategy  

INTRODUCTION  
Marketing and management scholars continue to research into the differences in business performance among firms (Matear, Gray & Garrett, 2004; Haughland, Myrtevit & Nygaard, 2007; Qu, 2009; Han, Hansen, Panwar, Hammer & Onzco, 2013). These differences could be attributed to the sources of competitive advantage of these firms (Matear et al., 2004). Multiple sources of competitive advantage exist for firms, including the development of a market-oriented culture (Kohli & Jaworski, 1990; Narver & Slater, 1990 Vorhies & Mason, 2009; Blankson, Cowan, Crawford, Kalafatis, Singh & Coffie, 2013). Market orientation has been conceptualised and empirically proven in the extant literature to be a source of competitive advantage for firms (Morgan et al., 2009; Brik et al., 2011; Hunt, 2012). Despite support for the market orientation construct as a competitive tool in the marketing and management literature (Kirca, Jayachandran & Bearden, 2005; Morgan et al., 2009), scholars contend that the concentration on limited sources for competitive advantage might affect the fortunes of firms in the marketplace (Matear et al., 2004). Market orientation alone might not help firms attain business performance unless it is supported by other strategic capabilities such as corporate social responsibility (Qu, 2009; (Morgan et al., 2009; Blomberg & Wigren, 2009; Mitchell, Wooliscroft & Higham, 2010; Brik et al., 2011; Arshad, Mansor & Othman, 2012).  

Previous scholarship on market orientation and corporate social responsibility has focused on individual strategic constructs and their impact on organisational performance to the neglect of their integration (Grinstein, 2008; Mitchell et al., 2010). Thus, Grinstein (2008) advised that research on market orientation should shift its focus. According to Grinstein (2008), researchers should move from the study of the direct effect of market orientation on business performance to the study of the various combinations of strategic orientations that firms can pursue in different situations. Researchers are encouraged to study how the more successful market-oriented firms balance between market orientation and other strategic orientations (Grinstein, 2008; Mitchell et al., 2010). Relatively little research sheds light on the interaction effect of the MO – CSR - performance relationship (Qu, 2009; Brik et al., 2011). Meanwhile, researchers have long postulated the benefits of integrating market orientation with social strategy (Narver & Slater, 1990; Mohr & Sarin, 2009; Mitchell et al., 2010). For instance, Mohr & Sarin (2009) argued that the pursuit of both economic and social strategies simultaneously would not be harmful to the operations of a firm. In this regard, the key
question that needs to be answered is whether the interaction of market orientation and corporate social responsibility would yield high performance for firms.

This paper contributes to marketing knowledge through proposing a comprehensive framework integrating market orientation and corporate social responsibility for business performance. Limited frameworks exist on the integration of market orientation, corporate social responsibility and business performance (Maignan et al., 1999; Maignan & Ferrell, 2004; Morgan & Strong, 1998; Grinstein, 2008; Morgan et al., 2009; Brik et al., 2011; Arshad et al., 2012). Therefore, this study contributes towards reducing the paucity of frameworks of integrating the MO – CSR and business performance relationship. In addition, the framework conceptualises simultaneous factors that determine firms’ market orientation and corporate social responsibility. In the light of this, the study advances marketing knowledge by postulating that there are common predictors or antecedents of market orientation and corporate social responsibility that must be established. In addition, the framework clarify the impact of combining economic (market orientation) and social (corporate social responsibility) strategies to determine business performance.

**LITERATURE REVIEW**

**Market Orientation**

Market orientation (MO) has been described as one of the most empirically tested marketing frameworks (Hunt, 2012). The market orientation theory or construct has received enormous scholarly attention from both management and marketing scholars for the past three decades (Kohli & Jaworski, 1990; Narver & Slater, 1990; Blankson & Omar, 2002; Kirca et al., 2005; Zebal & Godwin, 2011). From its basic conceptualisation as a decision-making process (Shapiro, 1988), as an information and intelligence gathering process (Kohli & Jaworski, 1990) and as a corporate culture (Narver & Slater, 1990), significant scholarly contributions have been made to explain its association with firm success in the marketplace (Kirca et al., 2005; Kuada & Bustsi, 2005; Ellis, 2006; Grinstein, 2008; Morgan et al., 2009; Mitchell et al., 2010; Brik et al., 2011; Hunt, 2012).

In conceptualising market orientation, researchers often investigate its antecedents or predictors and consequences or outcomes (Kohli & Jaworski, 1990; Jaworski & Kohli, 1993; Zebal & Godwin, 2011). The antecedents are the factors that determine a firm’s level of market orientation. The consequences are normally the outcomes of firms’ efforts to be market-oriented. Equally important in this conceptualisation are the moderators and mediators of the relationship between market orientation and organisational performance. It is also important to note that the proponents of market orientation considered it to be a generic or universal construct (Kohli & Jaworski, 1990), meaning it is suitable for application in all types of organisations, whether in manufacturing or service, public or private and profit-driven, or not-for-profit. Even though the market orientation construct was initially developed in the manufacturing sector (Kohli & Jaworski, 1990; Narver & Slater, 1990), scholars later found it useful for the services sector as well (Cervera, Molla & Sanchez, 2001). Likewise, the environment in which it is applied does not matter. As such, its initial proponents (Kohli & Jaworski, 1990; Narver & Slater, 1990) encouraged scholars to test the efficacy of their initial studies in different contexts. As a result of the universally applicable nature of market orientation, there have been numerous strands of literature distinguishing between studies from the perspectives of developed and developing economies (Dware, Bhuian & Jarkus, 2007; Kuada & Buatsi, 2005; Zebal, 2003; Osuagwu, 2006; Greenley, 1995; Perry & Shao, 2002; Sundqvist, Puumakinen & Salminen, 2000).

While many studies report a positive relationship between market orientation and firm performance, others (Sundqvist et al., 2000) have found a negative or no relationship. Subsequently, some scholars have questioned claims about any such direct link (Grinstein, 2008; Qu, 2009; Mitchell et al., 2010). These scholars are of the opinion that market orientation alone cannot result in superior performance unless it is supported by other strategic intangible resources (Grinstein, 2008; Qu, 2009; Morgan et al., 2009; Brik et al., 2011). Additionally, those who argue against the pursuit of market orientation alone as a corporate strategy are of the view that the construct suffers from a “black box” challenge (Ellinger, Ketchen, Hult & Elmundag, 2008). That is, instead of treating all key stakeholders as equally important to the performance of the organisation, one stakeholder (customers) is often singled out as the most important (Maignan & Farrell, 2003; 2004). In order to address this shortcoming, organisations are urged to focus not just on their customers, but also on stakeholder groups that hold the firm accountable for its actions (Maignan, Ferrell & Ferrell, 2005).

As a result of the gaps in the scholarship surrounding the concept, market orientation scholars have advocated for the incorporation of other strategic alternatives into corporate strategy for superior performance (Grinstein, 2008; Morgan et al., 2009; Mitchell et al., 2010). To that end, researchers have investigated market orientation and business performance

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via corporate social responsibility (Maïgnan, Ferrell & Hult, 1999; Qu, 2009; Brik et al., 2011; Arshad et al., 2012). Previous studies have focused on the antecedent or mediating role of corporate social responsibility in the market orientation/performance linkage (Maïgnan et al., 1999; Mitchell et al., 2010; Zebal & Godwin, 2011; Hunt, 2012; Turyakira, 2012). However, there is the need for firms to pursue both at the same time because, as Mohr & Sarin (2009, p. 94) state, “…economic and societal goals need not be at odds and that a business can make decisions in the service of both simultaneously”.

**Corporate Social Responsibility (CSR)**

In recent times Corporate Social Responsibility (CSR) has emerged as an important topic in the academic and business world (Bhattacharya & Sen, 2004; Luo & Bhattacharya, 2006; Mohr & Sarin, 2009; Bhattacharya, Korschun & Sen, 2009). A number of management (Porter & Kramer, 2002, 2006; Prahalad, 2004) and marketing scholars (Andreasen, 1994; Brown & Dacin, 1997; Drumwright, 1994) have called for the incorporation of corporate social responsibility into the pursuit of economic objectives in the marketplace. Scholars argue that the firm must operate beyond their economic objectives. CSR initiatives and activities constitute an important component of the dialogue between companies and their stakeholders (Bhattacharya et al., 2009). Even in difficult times or slow periods of growth, CSR is still recommended as a strategic tool for firms’ growth. This is even more important for developing economies, especially in sub-Saharan Africa where the poverty level is high (Hinson & Ndhlovu, 2011). In such economies, organisations are expected to provide some social services and welfare programmes in addition to their normal economic activities (Hinson & Ndhlovu, 2011). Firms balancing their economic and social goals would be able to achieve their business objectives and address societal concerns at the same time. This is what is termed strategic CSR (Lantos, 2001; Porter & Kramer, 2006).

Some scholars are of the view that the pursuit of CSR is an asset to a firm’s operations and not a cost (Freeman, 1984; Porter & Kramer, 2006). Such scholars argue that CSR implementation can provide firms with intangible resources that can increase their competitiveness through enhanced image and reputation (Barney, 1991a; Han et al., 2013). These researchers are of the view that CSR would engender positive goodwill for the firm and facilitate acceptability in the business environment (Maïgnan & Farrell, 2004; Han et al., 2013). The firm then benefits from the diverse resources emanating from different stakeholders of the organisation (Maïgnan & Farrell, 2003; 2004). Pirsch, Gupta & Grau (2007) are of the opinion that companies can maximize consumer stakeholder response from CSR programmes in the marketplace by carefully identifying which categories of CSR either affect or are noticed by consumers the most. By understanding these connections, managers can adopt a specific category of CSR programming contingent on the desired response from the consumer stakeholder group.

Some scholars however view the pursuit of CSR by firms differently. Friedman (1970), for instance, argues that a business is only responsible to its stakeholders and not to the entire society. Further, despite research evidence from empirical studies linking CSR positively to firm performance (Bhattacharya & Sen, 2004; Luo & Bhattacharya, 2006), some scholars have recorded negative findings on the relationship between firms’ CSR and performance, pointing to the fact that it is possible for CSR to generate undesirable outcomes and that this subject must be further explored by scholars (LeCren & Ozanne, 2011). On the basis of the foregoing discussions on market orientation (MO) and corporate social responsibility (CSR), this conceptual paper proposes a combination of MO and CSR as a strategic framework that will enhance firm performance. The discussion of the framework is presented in the next section. The justification for the conceptualisation of MO and CSR as a strategic framework for achieving superior performance is inspired by the available literature on MO and CSR as represented by the work of scholars such as (Maïgnan et al., 1999, Qu, 2009; Brik et al., 2011 and Arshad et al., 2012).

**COMPONENTS OF THE CONCEPTUAL FRAMEWORK**

The conceptual framework has four major components. Figure 1.1 below depicts the conceptual framework that guides the empirical effort of the study. The framework suggests that market orientation and corporate social responsibility are linked to provide the firm with the needed sustainable competitive advantage in the business environment (Morgan et al, 2009; Brik et al., 2011).
Predictors of Market Orientation and Corporate Social Responsibility

The three major hierarchical measures of top management factors, organisational systems and interdepartmental dynamics proposed by Kohli & Jaworski (1990) and Jaworski & Kohli (1993), which have been used widely in the market orientation literature, are employed in this study. However, the present study extends strategic marketing knowledge by postulating that these factors are also predictors of CSR. These measures are employed in this study to assess the firm’s level of MO and CSR activities and initiatives. The antecedents are factors that foster or encourage the development of a market oriented culture, as well as responsible business practices in an organisation.

Market orientation and corporate social responsibility

The conceptual framework puts forward four components that constitute market orientation. These are intelligence generation, intelligence dissemination, intelligence responsiveness and marketing culture (Jaworski & Kohli, 1993; Kolar, 2006). The framework suggests that for a firm to be market-oriented, it must assess its activities in the context of these four major characteristics. Appropriately handling the four major dimensions simultaneously will determine the firm’s level of market orientation. Carroll’s (1991) classification of CSR was modified to include social and environmental dimensions (Mitchell et al., 2010) to conceptualise corporate social responsibility in this conceptualisation.

Control Variables (CV)

Narver & Slater (1990) show that the marketing strategy literature places considerable emphasis on eight situational variables that may affect business profitability. The study posits that apart from the interactive effects of MO and CSR, there are other variables that can impact on an organisation’s performance. The control variables considered in this...
study are broken into two main groups: market-related control variables and firm level control variables (Narver & Slater, 1990). Some of the market related control variables considered in this study, as shown in the conceptual framework, are technology, general economy, competitive intensity, and market turbulence and buyer power. The firm level control variables include: ownership, age, assets and size of the firm. The variables are discussed in turn beginning with the market level variables.

**Business Performance**

Variables of business performance can be treated as dependent, independent or intermediary depending on the perspective of the researcher (Richard et al., 2009; Turyakira, 2012). Business performance was assessed in this conceptualisation using six different measures as shown in the conceptual framework. These are: overall business performance (Harris & Ogbonna, 2001; Pitt et al., 1996; Barrett & Weinstein, 1998; Matsuno et al., 2000; Selnes et al., 1996; Kwon & Hu, 2000), customer satisfaction (Zebal, 2003), service quality (Agarwal, et al., 2003), profitability (Narver & Slater, 1990; Pelham, 1999; Chan & Ellis, 1998; Zebal, 2003), firm growth (Narver & Slater, 1990; Morgan et al., 2009) and employee commitment (Jaworski & Kohli, 1993). Overall business performance combines all five measures.

**MANAGERIAL IMPLICATIONS AND CONCLUSIONS**

The study conceptualise that market orientation and responsible business practices towards meeting the needs of customers and stakeholders in general could generate sustainable competitive advantage for firms. This requires managers to balance their economic and social strategy for business performance. In light of this, contemporary managers must realise that market orientation (MO) and Corporate Social Responsibility (CSR) are two essential strategic marketing management tools for a firm’s success in the business environment. In conclusion, a growing number of scholars and practitioners are calling for attention to be given to market orientation and corporate social responsibility for competitiveness and as such must be adhered to. These calls are even more important for firms operating in the services sector because of the difficulty in differentiating service offerings, which stems from the well-documented characteristics of services (intangibility, inseparability, perishability, homogeneity) (Lovelock & Wirtz, 2007; Blankson & Kalafatis, 1999; Blankson & Kalafatis, 2004). Future research must focus on testing the relationships established in the current conceptualisation of MO and CSR.

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Mass marketing strategies: do they affect consumers’ perception towards luxury branding? 

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Abstract

Consumption of luxury brands has traditionally been associated with consumers’ status and self-esteem. On the reach for a wider customer base, luxury companies venture on mass marketing approaches such as brand extensions and multiple selling points. The present paper aims to identify the effect of such mass marketing strategies on consumers’ perception towards luxury brands, taking into account their inner motives and emotional needs. An online survey of 544 consumers, revealed that step-up and horizontal brand extensions are affecting consumers’ perception, whereas step-down extensions seem to have no effect at all. The points of purchase strategy (flagship store vs multiple selling points) is also affecting consumers’ perception. Flagship stores have a positive effect on consumers’ perception whereas multiple selling points are not significant in shaping consumers’ opinion. Inner motives such as consumers’ need for uniqueness do not seem to affect the above named relationships.

Keywords: luxury brands, mass marketing, brand extensions, points of purchase, need for uniqueness.

1. INTRODUCTION

Consumers’ perception towards a brand is based on personal and interpersonal motives (Penz & Stottinger, 2012; Vigneron & Johnson, 1999), emotions and needs, such as need to feel or seem unique (Mason, 2001). Luxury brands are the most typical examples of branding, gathering a large number of intangible characteristics which, according to previous studies, may be affected if the brands apply mass marketing strategies (Chadha & Hiusband, 2006). Research on luxury branding so far has focused on luxury brand image and its specific characteristics (such as timelessness, exclusivity, supreme quality). Emphasis was also given on the detection of customer needs (participation in aspiration groups, materialism, conspicuousness, self-realization) that seem to be fulfilled through the consumption of luxury products (Atwal & Williams, 2009; Hung & Chen, 2011). However, there is no evidence on the potential effect of mass marketing strategies on consumers’ perception of luxury brands. It is also possible that consumers’ need for uniqueness might be driving the consumption of luxury brand products. As such, consumers’ need to feel or seem unique might interact (moderate) with the relationship between mass marketing strategies and luxury brand perception. The present study aims to explore the above named relationship, focusing on luxury brand extensions (up, down or horizontal) and the selection of selling points (flagship store vs multiple selling points). Two luxury brands (Louis Vuitton and Hugo Boss) with the above named characteristics, provide the context of the study.

2. LITERATURE REVIEW & RESEARCH HYPOTHESES

Research has focused on definitions of luxury (Janssen et al., 2013; Kapferer, 2012; Okonkwo, 2009), luxury branding (Atwal & Williams, 2009; Heine & Phan, 2011; Liu et al., 2012; Kapferer & Bastien, 2009;Roper et al., 2013) and their specific characteristics (Nelissen & Meijers, 2011; Shukla, 2011, Shukla & Purani, 2012; Wiedermann et al., 2009). A significant number of studies indicate that the objective of luxury branding is to maintain and maximize the value that customers experience (Abbott et al., 2009; Alexander, 2009; Amatulli & Guido 2012; Bian & Forsythe, 2012; Christodoulides et al., 2009;Godey et al., 2009;Hung&Chen, 2011; Keller, 2009; Lee, 2013; Megehee & Spake, 2012; Zhang & Kim, 2013). In terms of their experiential and symbolic value, previous studies categorize luxury products in those consumed in private and in public (Dubois & Duquesne, 1993; Stockburger-Sauer, Teichmann &Ka., 2011), gratifying consumers’ need to feel or seem unique. Luxury brands aim to introduce consumers into a hedonic, interactive experience (Kapferer 1998; Riley et al., 2004), that leads them not only to emotional attachment and improved self-esteem but also to an enhanced image portrayed to others and the associated social recognition (Adams, 2011; Hudders, 2012; Kim et al., 2012; Park et al.,2008 ; Dion & Arnould, 2011).

The democratization of the luxury brand sector (Achabou & Dekhili, 2013 p.1897; Truong et al.,2009) resulted in a controversy of those in favor of mass marketing strategies and those who opposed, as they believe that the brand may lose part of its emotional value (Barnier et al.,2012; Bridges & Florsheim, 2008). Brand extensions (horizontal &
vertical) are regarded as a brand’s strategy to respond to massiveness (Hennigs et al., 2013; Magnoni & Roux, 2012, Xie, 2008). This could result in higher/lower priced product categories/lines, and lower/higher brand accessibility respectively (Kapoor & Heslop, 2009). A lower/higher accessibility to the luxury brand would result in a possible enhancement/opposition to Veblen, Snob and Hedonic Effects as described by Vigneron and Johnson (1999). Horizontal extensions for example, could provide luxury brand companies with an opening in new markets or sectors. However, this encompasses the danger of confusing consumers and altering their perceptions. Therefore, it is suggested that:

**H1:** A customer’s perception (towards a luxury brand), who has the need for uniqueness, gets positively influenced by a vertical, step up extension.

**H2:** A customer’s perception (towards a luxury brand), who has the need for uniqueness, gets negatively influenced by a vertical, step down extension.

**H3:** A customer’s perception (towards a luxury brand) who has the need for uniqueness, gets negatively influenced by a horizontal extension.

According to Kim et al., (2010) the nature of luxury is connected to a sense of selectivity, usually underlined by distribution elements. The objective is to increase awareness and desirability of the brand and at the same time maintain its exclusivity. The choice of selling point (exclusive store or multiple selling points) could contribute to the desirability of the brand. Flagship stores for example, enhance the notion of exclusivity and uniqueness, create emotional attachment and even identification with the brand (Manlow & Nobbs, 2013). Multiple selling points (i.e. in malls) could contribute to widespread awareness and greater availability at the expense of uniqueness. Therefore it is suggested that:

**H4:** A customer’s perception (towards a luxury brand), who has the need for uniqueness, gets positively influenced if the company uses a flagship store as a unique selling point.

**H5:** A customer’s perception (towards a luxury brand), who has the need for uniqueness, gets negatively influenced if the company uses multiple selling points.

3. THE CONTEXT OF THE STUDY: LV vs HUGO BOSS

Louis Vuitton and Hugo Boss provide the context for the study. Louis Vuitton is a luxury brand far-off mass marketing practices, while Hugo Boss engages in brand extension strategies and a diversity of selling points. Both brands are highly recognizable in the Greek market. Brand awareness was a prerequisite for the participation in the survey as the objective of the study is not to examine actual behavior but rather consumers’ perception of the brands.

Both brands satisfy the conditions of a luxury brand. According to Wiedermann et al. (2009), a luxury brand must be of a high standard and it must create products that appeal to the senses. Furthermore, according to Yuen and Chan (2010) a luxury brand should gather characteristics, such as strong image, high quality, fashion, atmosphere/aura of the store and the prestige that it needs to express (Venkatesh et al., 2010).

### Table 1: Mass marketing approaches: LV vs Hugo Boss

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<th>Louis Vuitton</th>
<th>Hugo Boss</th>
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<td><strong>Vertical, step up extensions</strong></td>
<td>Multicolor Monogram Canvas &amp; Cherry Canvas (cooperation with Takashi Murakami-Art)</td>
<td>Boss Selection</td>
</tr>
<tr>
<td><strong>Vertical, step down extensions</strong></td>
<td>-</td>
<td>Boss Green, Boss Orange, HUGO, Hugo Boss</td>
</tr>
<tr>
<td><strong>Horizontal extensions</strong></td>
<td>Jewelry, sunglasses, clothing, no cosmetics and perfumes</td>
<td>Sunglasses, eyewear, Baby &amp; kid clothing, home collection, i-phone applications, apparels</td>
</tr>
<tr>
<td><strong>Unique selling point (only flagship store)</strong></td>
<td>single store in Thessaloniki (flagship)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Multiple selling points</strong></td>
<td>-</td>
<td>Flagship store, Attica</td>
</tr>
</tbody>
</table>


Furthermore, LV fulfills the need for exclusivity and selectivity (exclusive dinners for L.V’s VIP customers), and other characteristics such as excellence, style, symbolic value and a leading designer (i.e. Marc Jacobs) that people can aspire by (Fionda & Moore, 2009).
Hugo Boss on the other hand, in order to create an inaccessible profile, releases lines of higher quality and status authenticity, timelessness, excellence, style and sexuality (Kapferer & Bastien, 2009). Its products exceed their operational value and denote the status of their owner. Although, the brand focuses on the decoration and style of its stores, providing a sensual experience to consumers (Keller, 2009), it is highly likely that this image will be obscure, because of the high number and the diversity of stores. The brand uses an expanded distribution network, which may, to some extent, spoil the sense of selectivity. It remains, though, loyal to its country of origin, promoting the German style in fashion, which promotes order, discipline, seriousness and lack of anything excessive.

4. METHODOLOGY

An online survey was used for the data collection. Two questionnaires (one for each luxury brand case) were distributed through Facebook (showball effect). In both questionnaires respondents were asked about their familiarity with the brand, their attitude towards luxury brands, their preference or not for the brand under study, their attitude towards the brand’s strategy, their need for uniqueness and basic demographic variables. Two questionnaires were designed due to the different mass marketing strategies employed by the two companies under study. All measures employed in the questionnaires were based on previous studies. In total, 290 questionnaires for Louis Vuitton and 271 for Hugo Boss were collected, of which 17 were invalid. In both cases women constituted the main group of participants in the study due to the nature of the products. The LV questionnaires were completed by women (72%), aged between 18 and 30 (68%), with a family annual income ranged between 11,000 and 20,000 (36%) and a higher education background (36%). The Hugo Boss questionnaire was answered by women (73%), aged between 18 and 30 (74%), with a family annual income between 11,000 and 20,000 (43%), and higher education background (30%). The dependent variable of the study was consumer’s perception towards luxury brands. The questionnaire consisted of a 3-item luxury perception scale, a 4-item luxury brand perception scale, an 18-item scale for consumer's emotional, personal or interpersonal motives, such as need to feel or seem unique (Table 2). A 10-item scale reviewed consumers’ perception towards the mass marketing approaches employed by Louis Vuitton and Hugo Boss.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxury</td>
<td>Wiedmann, Hennings &amp; Siebels (2009); Husic &amp; Cicic (2009)</td>
</tr>
<tr>
<td>Luxury Branding</td>
<td>Wiedmann, Hennings &amp; Siebels (2009); Husic &amp; Cicic (2009)</td>
</tr>
<tr>
<td>Need for uniqueness (seem)</td>
<td>Tian, Bearden &amp; Hunter (2001)</td>
</tr>
<tr>
<td>Need for uniqueness (feel)</td>
<td>Tian, Bearden &amp; Hunter (2001)</td>
</tr>
</tbody>
</table>

Source: The authors

Cronbach’s Alpha for internal reliability was measured for all multi-item scales and it satisfied the > 0.7 criterion. Factor Analysis, also proved that the dimension of luxury brand perception can be interpreted by the other dimensions proposed in this study (48.4% for LV and 50.5% for Hugo Boss). This means that LV and Hugo Boss mass marketing strategies, with the assumption of the moderating role of need for uniqueness, are influencing consumers’ perception of the brands.

ANOVA indicated that customers differ in their perception towards Louis Vuitton’s and Hugo Boss’s, based on their strategies. The results support that there is, indeed, a different approach between the two brands (df= 543, F= 9,539, p<0,005), in terms of consumers’ perception. This means that customers can detect and realize that Hugo Boss utilizes a mass marketing strategy (brand extensions and multiple selling points), to a greater extent than LV, which retains a more exclusive profile.

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perception for Louis Vuitton and Hugo Boss</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between</td>
<td>4,886</td>
<td>1</td>
<td>4,886</td>
<td>9,539</td>
<td>.002</td>
</tr>
<tr>
<td>Groups</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Extensions for Louis Vuitton and Hugo Boss</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between</td>
<td>1,169</td>
<td>1</td>
<td>1,169</td>
<td>4,634</td>
<td>.032</td>
</tr>
<tr>
<td>Groups</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling Points for Louis Vuitton and Hugo Boss</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between</td>
<td>363,540</td>
<td>1</td>
<td>363,540</td>
<td>758,707</td>
<td>.000</td>
</tr>
<tr>
<td>Groups</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5. RESULTS AND DISCUSSION

Hypothesis 1 posited that a customer’s perception (towards a luxury brand), who has the need for uniqueness, gets positively influenced by a vertical, step-up extension, implying a moderating effect. To test for this effect, it was important to discriminate between the need to seem and feel unique. Regression analysis with luxury brand perception as the dependent variable and step-up extensions as the independent variable was performed taking into account consumers’ need for uniqueness. Step-up, vertical extensions seem to positively affect consumers’ luxury brand perception. However, need for uniqueness does not seem to moderate this relationship (p=0.26, p=0.98). Only the need to seem unique has a positive effect on consumer’s perception. For instance, higher priced lines (limited edition), would satisfy consumers’ vanity and status symbol. Hence, H1 hypothesis is supported, regardless the need for uniqueness parameter (p=0.00).

Regression analysis on consumer perceptions toward luxury brands and step-down and horizontal extensions as the independent variables indicated that although step-down extensions do not seem to influence consumers, horizontal extensions seem to matter. Hypothesis 2 suggested that a customer’s perception (towards a luxury brand), who has the need for uniqueness, gets negatively influenced by a vertical, step down extension. However, the result does not provide evidence to support hypothesis 2 (p>0.05). This could suggest that if the brand launches a new, cheaper line (such as Boss Orange), customer’s perception towards the brand is not negatively influenced and the brand does not lose its value (still considered expensive and of high value). Therefore, regardless of whether consumers get motivated by their need to feel or to seem unique, a step-down extension does not affect their perception.

Table 4: Summary of Regression analysis (The numbers in brackets refer to regression analysis’s results, without the moderating factor)

<table>
<thead>
<tr>
<th>Perceptron towards luxury brands</th>
<th>Need to seem unique</th>
<th>Need to feel unique</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Extensions</strong></td>
<td>B</td>
<td>Std.Er</td>
</tr>
<tr>
<td>Step-up</td>
<td>-0.14</td>
<td>(0.72)*</td>
</tr>
<tr>
<td>Step-down</td>
<td>0.25</td>
<td>0.12</td>
</tr>
<tr>
<td>Horizontal Selling Points</td>
<td>0.04</td>
<td>(0.34)</td>
</tr>
<tr>
<td>Unique</td>
<td>0.36</td>
<td>(0.51)</td>
</tr>
<tr>
<td>Multiple</td>
<td>0.10</td>
<td>0.09</td>
</tr>
</tbody>
</table>

Source: The authors

On the contrary, horizontal extensions influence consumer’s perception towards the luxury brand regardless of their need to seem/feel unique. The results indicate that the launch of a new product category, not necessarily coherent with the parent brand, could harm the brand’s image and blur the message of uniqueness and the exclusivity it aims to convey. For example, cosmetics and perfumes could level-down the image of Louis Vuitton, which is a brand of extreme exclusivity. Hence, hypothesis 3 is partially supported (p=0.05).

Hypotheses 4 and 5 posit that a unique selling point (flagship store) and multiple selling points have respectively a positive/negative effect on consumers’ luxury brand perception. Regression analysis indicated that a unique flagship store has a positive effect on consumers’ perception and that the need to seem unique also affects this relationship. The existence of a flagship store seems to stimulate the feeling of vanity. Hence, H4 is supported, on the basis that consumers need to seem unique (p<0.00). On the contrary, the need to feel unique is statistically non-significant to the relationship of points of sale and luxury brand perception. This result (p=0.333) proves that the sample does not seem to realize the emotional value of a flagship store and how this may contribute to consumers’ self-realization and to the integrated experience that they face. This result might be due to the fact that the study was conducted basically among Greeks aged between 18 and 30, who may not be able to perceive the intensity of a luxury brand’s aura and the intangible elements, offered and depicted through the store. Hence, hypothesis 5 is not supported. There is no verified relationship between the use of multiple points of sale and consumers’ perception towards the luxury brand (p=0.300).
and $p=0.795$). The need for uniqueness is statistically non-significant in this relationship. This could be attributed to the fact that malls (as the ones used by Hugo Boss in Greece) are often high status, dispose extremely expensive products and their image is exclusive and eclectic. Therefore, the type of the store does not seem to play an important role in the setup of a specific image, and therefore the existence of multiple purchase points does not influence customers’ perception about the brand’s selectivity. Malls offer a compatible environment to the brands, in terms of their operational, symbolic and experiential value.

6. CONCLUSIONS

The present study explores the effect of mass marketing strategies (line extensions: step-up, step-down, horizontal and use of selling points: flagship stores vs multiple stores) on consumers’ perception of luxury brands, taking into account their need to feel or/and seem unique. Need for uniqueness was considered as a moderating factor, suggesting that customers are urged by motives such as vanity and conspicuousness (need to seem unique) or motives such as self-determination and individualism (need to feel unique). Specifically, the study supports that luxury brand perception is affected, when people need to seem unique, if the brands employ a vertical, step-up extension. Horizontal extensions have a detrimental effect on luxury brand perceptions regardless of the motives that lead consumers to luxury brand consumption. However, vertical, step-down extensions do not influence consumers’ perception at all. This could be attributed to the fact that when luxury brands introduce lower priced lines, they manage to maintain their status, uniqueness and high value by presenting it as a more casual but equally prestigious line. Horizontal extensions though seem to overexpose the brand in the market (in some cases with unrelated products) that turn the brand into an affordable, widely consumed and not so exclusive choice.

Moreover, this study reveals that regardless of whether the brand is displayed in a unique flagship store or in multiple locations, such as malls, it does not lose its value. Customers do not seem to get influenced by the multiple location distribution strategy, as long as the stores seem to fit in with the brand concept and promote the brand’s image. Luxury brands carefully select and design stores that contribute to their image and exclusivity (upper market stores addressed to higher income and social status consumers). Hence, it is possible that consumers focus mainly on the consumption of the brand itself, and not on the purchasing process. Prior studies (Manlow & Nobbs, 2013), suggest that a flagship store plays an important role in the setup of a brand’s image and it affects consumers’ need to understand and express themselves. However, they indicate that the flagship store’s emotional value is not often perceived by customers. On the other hand, flagship stores can promote conspicuous consumption. This might be due to the fact that, although consumers are not able to fully perceive the emotional nature of the luxury brand they react to social factors (need to seem unique) fulfilled through the patronage of a specific store (flagship store).

7. LIMITATIONS AND FURTHER RESEARCH

The present study is context and place specific. It provides insights regarding the effect that luxury brands’ mass marketing strategies have on consumers’ perception based on two distinct luxury brands. Thus it could be argued that the results should be treated with caution as they represent consumers’ perception of two individual cases. However, the two brands employ different forms and magnitude of mass marketing approaches and thus provide good examples for study. Moreover, the research was conducted in Thessaloniki, Greece and thus is quite restricted in terms of the availability of selling points under study. Future researchers could expand to other places, countries or cities to cover for this shortcoming. Also, this research works as a guidance for gaining insight into other luxury brands, whether they use mass or exclusive marketing strategies. It would be interesting to expand this research by looking into the potential effect of the internet as a distribution channel on luxury brand perception. Luxury brands can be considered as the purest examples of branding, so they can stand as great opportunities for researchers to understand customers’ inner motives and companies’ strategies. The present study contributes to the marketing field, by focusing on two parts of the marketing mix (extensions (product) and selling points (place)), regarding the mass marketing strategies. It would be also useful if other researchers focus on pricing and promotion strategies, too. Luxury brand companies could also benefit from the outcomes of the research, by maintaining or changing their strategies, considering their customers’ profile.

REFERENCES


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Assessment of Patient Satisfaction as a tool for Marketing/Management Decisions

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1. INTRODUCTION AND BACKGROUND
The Public Primary Healthcare Centers (PHCCs) were established with the aim of providing primary health care services to the population of urban and rural areas. Although they provide public good (services) the application of marketing philosophy and principles in their operation would contribute to the optimization of their performance in terms of effectiveness and efficiency. The customer satisfaction is the major indicator to measure the effectiveness of an organization, thus it is not surprising that patient satisfaction is considered as one of the major factors of health services quality verification. Users’ satisfaction from the health services provided to them is determined by factors relating to organizational and operational characteristics, but as well by the actual interpersonal relationship and communication with health professionals and particularly by the doctor-patient relationship.

2. AIM AND OBJECTIVES
The aim of this study is to measure the effectiveness of the services provided by a sample of urban and rural public PHCCs in Greece in terms of patients’ satisfaction. The study results can provide useful insights for the selection of marketing-management strategies and practices in order to improve the performance of public PHCCs. Specifically, the outperforming PHCCs can be identified and, thus, the opportunities and patterns to enhance the overall performance of all PHCCs may emerge. Moreover, valuable information can be provided for the amelioration of the PHCCs’ public relations with all relevant stakeholders.

3. METHODOLOGY
Patients’ satisfaction was assessed by a structured validated questionnaire with 64 questions which evaluated health satisfaction’s key factors (Aletras et al, 2007;; Zandbelt et al, 2004). Specifically, the questionnaire aimed to obtain data about: (1) satisfaction from making the appointment, (2) satisfaction from the arrival at the PHCC, (3) satisfaction from waiting for the examination, (4) satisfaction from doctor’s office and the examination by the doctor, (5) satisfaction from radiographic/laboratory tests, (6) overall health satisfaction, and (7) patients demographics. 438 completed questionnaires were selected by a stratified sample of patients that visited 15 state PHCCs. The sampling was random, and patients were asked to respond to the questionnaires at their departure from the PHCC.

4. RESULTS
The vast majority of patients (around 75%) report that on overall they are satisfied from the services received from their visit to the PHCC, while less than 10% claim to be dissatisfied. This is confirmed by the relatively high average level of satisfaction expressed by patients for the various components of the services received (Table 1). Although the great majority of respondents claimed to be satisfied for all services components, the average satisfaction for personnel politeness is found to be higher than the rest, while the lower level of satisfaction was expressed for access to PHCC and laboratory tests.

The survey also revealed a significant statistical difference in patients’ satisfaction level between urban and rural health centers in favor of the latter. Statistically significant differences were also found in satisfaction level between the PHCCs of the various provinces.
Table 1. Mean and 95% Confidence Interval of satisfaction level of aggregated categories of questions* (satisfaction components)

<table>
<thead>
<tr>
<th>Satisfaction components</th>
<th>Mean</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel politeness</td>
<td>4.14</td>
<td>(4.05-4.22)</td>
</tr>
<tr>
<td>Waiting room</td>
<td>3.93</td>
<td>(3.86-4.01)</td>
</tr>
<tr>
<td>Access to PHCC</td>
<td>3.72</td>
<td>(3.46-3.97)</td>
</tr>
<tr>
<td>Making appointment</td>
<td>3.84</td>
<td>(3.75-3.93)</td>
</tr>
<tr>
<td>Laboratory tests</td>
<td>3.78</td>
<td>(3.69-3.87)</td>
</tr>
</tbody>
</table>

* A 5-point Likert scale was used from 1 = very dissatisfied to 5 = very satisfied

The statistical analyses did not indicate any statistical significant correlation between patients’ satisfaction and their gender or educational level. Both the family status and age appear to influence the level of satisfaction, as patients older than 65 years old state to be more satisfied than younger age groups, however, these differences are not statistically significant.

Conclusions and Recommendations

According to the results of the survey the patients seem to be rather satisfied with the quality of the services provided by the health professionals, however, they claim that the level of services associated with organizational and functional aspects of health centers operation is significantly less satisfactory. Some of these problems may be resolved relatively easily and with limited resources, however the most severe of them may require more effort, increased resources and perhaps more fundamental changes and radical approaches (Mitropoulos et al, 2014). Moreover, the survey results could serve the basis for benchmarking among PHCCs and valuable insights can emerge from those that were found to provide higher service quality than others. Finally, such surveys should be conducted often and regularly in an attempt to improve the symmetric and interactive public relations of PHCCs with all their stakeholders.

Key words: primary health care, patient-users satisfaction, questionnaire survey, primary health care centers, Greece.

REFERENCES


Can self-congruity mediate between country personality and product attitude?

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Abstract
This research is designed to study the direct effect of country personality (CP) on consumer product attitude and indirect effect through consumer self-congruity between CP and his/her own self-concept on product attitude in an emerging country – Turkey. We propose an integrated structural equation model to examine the relationships. Measurement scales for CP, self-congruity and attitude are developed whose validities and reliabilities are confirmed by exploratory (EFA) and confirmatory (CFA) factor analyses with data collected from a sample of consumers in Turkey on two countries: USA and China.

The results reveal that four out of the original six dimensions of CP remain after a CFA is completed. The results show a direct effect of CP for two aspects of CP on product attitude as well as an indirect effect for one of the aspects of CP on product attitude through consumer’s self-congruity as the mediator. These results suggest that the CP construct may require further testing in other emerging markets to confirm the generalizability of the construct. Furthermore, marketers need to be aware of the fact that there is not just a direct effect of CP on product attitude, but also an indirect effect on product attitude through self-congruity. Anything which can be done to narrow the gap between consumer’s self-concept and the country’s CP will help marketers to improve consumer attitude toward the country’s products.

Keywords: Country personality, Self-congruity, Product attitude

1. INTRODUCTION

Although a large number of country image (CI) studies has been reported in the international marketing literature (for reviews, see Liefeld 1993; Peterson and Jolibert 1995; Phau and Chao 2008), the vast majority of these studies has addressed CI issues from different perspectives: economic, political, technological or product related, etc. Recently, country personality (CP) has been identified as a very promising CI perspective which warrants further research (Roth and Diamantopoulos 2009). Just like brand personality where consumers may perceive a brand to possess certain human personality traits, CP can also be seen as a country perceived to possess a set of certain human personality traits, which in turn can influence consumer attitude toward the country’s products.

The congruity principle originally elucidated by Osgood and Tannenbaum (1955) suggests that due to the fact that incongruent information generates dissonance, consumers prefer congruent information. The congruity principle has since been extended to the examination of congruity between a person’s self-concept and brand/product images (Sirgy 1982). According to this theory, the greater the match between a person’s self-concept and the brand image, the greater is the propensity for the consumer to prefer the brand and greater is also the likelihood for the consumer to exhibit a better attitude toward the brand. Recent self-congruity studies have focused the research attention mostly on tourist’s self-concept and tourist destinations (Hosany and Martin 2012; Sirgy and Su 2000; Usakli and Baloglu 2011), none has addressed the issue from the perspectives of CP and consumer product attitude.

In this study, we will examine the congruity between a person’s self-concept and CP and its impact on consumer product attitude. We seek to test the robustness of CP as a CI construct, develop a scale to measure congruity between a person’s self-concept and CP, and test the effects on product attitude in an emerging market – Turkey.

2. LITERATURE BACKGROUND AND HYPOTHESES

The CI literature has identified a disparate set of CI dimensions including economic, political developments as well as technological advancement (Martin and Eroglu 1993); general country attributes, general and specific product attributes (Parameswaran and Pisharodi 1994); product user profiles and other product related items such as design, style and workmanship (Haubl 1996; Roth and Romeo 1992); work conditions, concerns with the environment, work culture, vocational training and conflict with the home country (Lala, Allred and Chakraborty 2009). While these studies have provided insights and enhanced our understanding of the CI construct, they lack a unified concept pertaining to CI.
In this respect, country personality first introduced by d'Astous and Boujbel (2007) represents a unified CI concept which is relatively invariant in its applications to a variety of different cultural as well as product and service settings. Six dimensions of CP were identified: agreeableness, wickedness, snobbism, assiduousness, conformity and unobtrusiveness, some of which are considered positive and others negative. As such positive personality traits can be expected to affect product attitude positively and negative personality traits can be expected to affect product attitude negatively. The following hypothesis can this be formulated:

H1: Country personality traits influence consumer product attitude both positively and negatively.

Self-congruity theory posits that consumer attitude can be influence by congruence resulting from psychological comparison between the brand image and the consumer’s self-concept (Sirgy et al. 1997). Therefore the greater the match between a person’s self-concept and the CP, the better should be the attitude toward the country’s products. This notion has been confirm in travel destination research (Sirgy and Su 2000; Litvin and Goh 2002). One can therefore expect self-congruity to play a mediator role between CP and attitude toward the country’s products. We therefore present the following hypothesis:

H2: Self-congruity with CP mediates the relationship between CP and attitude toward the country’s products.

The model depicting the set of relationships is shown in Figure 1.

![Figure 1 Hypothesized relationship](image)

3. METHODOLOGY

We first developed the research questionnaire in English and then translated the questionnaire into Turkish through a parallel translation process by two Turkish nationals who are both proficient in English and Turkish. The questionnaire was pretested with two Turkish university professors who are also proficient in both languages. The final version of the questionnaire was obtained after removing any ambiguities regarding wording and the questions asked in the survey instrument. Country personality was measured by using the original d’Astous and Boujbel’s (2007) 24 items scale. Traditionally, self-congruity measure was obtained by examining the discrepancy between the subject’s perceptions of the product user image and the subject’s perception of his/her own image. Sirgy, et al. (1997) suggested that this approach would be more likely to lead to biased results. They suggested and confirmed that better results can be obtained by asking the subjects the extent to which their own self-image matched the image of the object. In this research, we followed this recommendation by using the following items: If I were a country I would be a country as country A, personality of country A is consistent with how I see myself, personality of country A is a mirror image of my personality, if country A were a person, she would be person who is very similar to my personality, personality of country A is very much like my personality and reflects me. Product attitude was measured by using a five items scale (Lee and Ganesh 1999). Finally all scales were measured by using five point Likert (1- disagree/ 5-agree) scales.

3.1. Data collection

Data were collected from 269 (148 on USA and 121 on China) respondents through a survey link on Akademikpersonel.org which is a main information source for post-graduate issues in Turkey. Out of the total sample of 269 respondents, 131 and 168 of the respondents were female and male respectively. Two hundred and sixty seven respondents had an educational level equal to or higher than a bachelor degree and 261 respondents are between the ages of 18-35. We selected USA and China for this research since USA is well known in Turkey as a major manufacturing country. China, on the other hand, even though may have been associated with unreliable and nondurable products in the past, in more recent years its country image has slowly improved and better known by
Turkish consumers as a country producing high-tech consumer electronic goods (Kaynak and Ali 2002; Cengiz and Kirkbır 2007).

3.2. Results

Both exploratory and confirmatory factor analyses were conducted to establish construct validity of the scales and reliabilities for the integrated structural equation model shown in Figure 1 using AMOS 21.0.0. Exploratory factor analysis (EFA) was conducted for country personality scale. In EFA, direct oblimin rotation and maximum likelihood extraction methods were employed and analysis was iterated to obtain solutions which explained more than 60% of the total variance. In EFA, 24 items country personality scale was reduced to 13 variables and 4 factors. Factors were named as agreeableness, wickedness, assiduousness and unobtrusiveness as in the original work (d’Astous & Boujbel, 2007). Factors with their factor loadings and reliability scores are shown below.

**Agreeableness:**
- Cp1: Bon vivant (.918); Cp2: Reveler (.871); Cp3: Amusing (.645) - Cronbach Alpha: .853

**Wickedness:**
- Cp9: Haughty (.938); Cp10: Snobbish (.901); Cp11: Mannered (.704); Cp8: Offender (.698); Cp16: Hard to work (.523); Cp7: Decadent (.518) - Cronbach Alpha: .876

**Assiduousness:**
- Cp13: Organized (.880); Cp14: Rigorous (.852) - Cronbach Alpha: .851

**Unobtrusiveness:**
- Cp22: Wimpy (.974); Cp21: Cowardly (.891) - Cronbach Alpha: .919

Confirmatory Factor Analyses (CFA) were conducted for all of the constructs. In CFA, country personality showed a good fit with the data ($\chi^2/df = 2.950$; NFI = .922; CFI = .947; RMSEA = .084; GFI = .910; AGFI = .866). In addition, self-congruity with country personality also showed a very good fit with the data ($\chi^2/df = 1.482$; NFI = .996; CFI = .999; RMSEA = .042; GFI = .991; AGFI = .967). The self-congruity scale also showed a high reliability score (Cronbach Alpha: .932) Finally, attitude scale also showed a good fit with the data ($\chi^2/df = 2.839$; NFI = .993; CFI = .996; RMSEA = .083; GFI = .988; AGFI = .939) with a high degree of reliability (Cronbach Alpha: .935). Finally, goodness of fit of the integrated structural equation model was evaluated. The model provided a very good fit with the data ($\chi^2/df = 1.788$; NFI = .927; CFI = .966; RMSEA = .054; GFI = .886; AGFI = .856). Although, AGFI and GFI were close to the margins; CFI, RMSEA and $\chi^2/df$ indices showed that the model had a very good fit (Hu and Bentler 1999). The results are shown in Figure 2.

In terms of hypothesis testing, agreeableness, assiduousness factors had significant direct effect (p < .001) on attitude. In contrast, unobtrusiveness and wickedness dimensions surprisingly did not have any direct or indirect significant influence on product attitude. As wickedness and unobtrusiveness dimensions can be considered as negative traits which can cause consumers to have negative attitude toward the country’s products. Therefore H1 is partially confirmed since agreeableness and assiduousness remained significant. This result suggests that if a country is perceived to be agreeable and assiduous, Turkish consumers will have more positive attitude towards the country’s products.

Similarly unobtrusiveness and wickedness did not show any significant effect on self-congruity. However, they were still retained in the model, due to the fact that it has covariance relations with other country personality dimensions. Lastly, the only mediation role the self-congruity played was between assiduousness and attitude constructs. Therefore H2 was also partially confirmed.
4. DISCUSSION AND MANAGERIAL IMPLICATIONS

This research confirmed only four of the six dimensions of country personality with adequate validity and reliability in an emerging market—Turkey. This may suggest that cautions are necessary when using the same construct in different countries. Our results showed that country personality can influence consumer product attitude. In this respect, just like brands, country personality traits can affect product perceptions. In addition, one aspect of self-congruity (assiduousness) mediated the relation between country personality and attitude. Both hypotheses were partially confirmed suggesting that marketers may take advantage of strong country personality traits to position the country and products when marketing in Turkey. It may not be surprising that both wickedness and unobtrusiveness did not show any direct impact on product attitude. A similar study has shown that consumers in China may exhibit a strong animosity toward Japan and yet display a favorable attitude toward its products (Klein, Ettenson and Morris 1998).

With this information, companies can also tailor their marketing campaigns to improve their country personality perceptions. In addition, they can also design their marketing campaigns especially in the short run with consumers who have high congruency with their countries personality.

4.1. Limitations and suggestions for further research

Since the data were collected on the website dedicated to discussing academic related issues, respondents tend to be younger and more highly educated and may not represent the population of Turkey as a whole. This study was conducted in one emerging market—Turkey. Research in more than one emerging country market may be warranted to increase the generalizability of the results. We collected data on just two countries: USA and China. More countries can also be included. Additionally, in future research, consideration of other relevant concepts like ethnocentrism and perceived product quality can potentially add greater insights in enhancing our understanding of the impacts of CI and its moderators. CI has been identified as a multidimensional construct including CP and product image. Both may be important in influencing consumer product attitude.
References


Place marketing for handicapped economy: the case of a Turkish city

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Abstract
The development of tourism activities in a region increases the commercial activities; following the natural driving forces within an economy. Excursions undertaken by people with disabilities are constrained by access limitations to area businesses, educational exhibits, certain vacation areas, and recreational activities. This lack of accessibility plays a significant, if not decisive role in the travel choices and sustained loyalty of disabled tourist. In the Manisa tourism sector accommodations for people with disabilities need to be encouraged, including leisure space environmental planning for hotel building, public areas and in public works. The objective of this research is to investigate residents’ attitudes towards the image of Manisa as a tourism destination with reference to accommodations made for disabled tourists. The method chosen for the empirical data collection was a self-completed web-based questionnaire, answered by internet users between 20-65 years of age in Manisa. In addition, the team utilized the results to create a map application as a smart tool for disabled tourists. The application contains markings for "accessible" web pages based on the level of disabled area accommodations, primarily in public areas. The initial conclusion is that a web-based application for the disabled tourist can be a useful tool for differentiating between major tourist destinations. This study provides the basis for a practical methodology to allow disabled tourists access to barrier-free tour areas.

Keywords: Disabled economy, disabled tourism, tourism for all, universal accessibility.

INTRODUCTION
Tourism is a quota-free trade element that relies heavily upon transportation and accommodations. These two infrastructure components represent the largest obstacles to disabled tourism. TÜRSAB (Association of Turkish Travel Agencies) studies consistently indicate the most significant obstacle faced by disabled people on holiday in Turkey are "facilities not suitable for [disabled] tourism" and "lack of [accessible] transport". Our research established the importance of investment in tourism and expanded the hypothesis to include investments in facilities and transportation designed specifically for the disabled.

Turkey Accessibility Strategy and Action Plan, which was prepared in 2010-2011, stated that tourism for all is not just about providing access for the disabled. The plan includes the creation of universally accessible leisure space, resulting in a pleasant and safer environment for children, the elderly, pregnant women, and families with baby carriages. Within the context of this plan, the term “handicapped” refers to people who are permanently or temporarily restricted with regard to mobility and those adults and children with limitations based on age or a medical condition.

People with disabilities represent a large and growing market in the EU, for both business and leisure travel. In the European Union, about 37 million people are disabled. This number is likely to grow in the future as the average age of the population increases. Within the continent of Europe, there are approximately 120 million disabled or elderly who would welcome improved access to tourist leisure space. Research shows that disabled people are loyal customers of locations that provide specialized comfort and easy accessibility. Other vacationers also benefit from improved accessibility, for example parents with pushchairs, people with injuries, and tourists with heavy luggage. (Westcott, 2004: p.5)

Tourism, as highlighted in the 1989 conceptual model of developed tourism (Mathieson and Wall); travel demand is a dynamic element and the tourist area meets that demand in response to social factors and of static elements, creating a three-way impact on the economic and physical sub-systems. In this context, the model in assessing the tourism system (Içöz, Yes, Ilhan, 2009: p.29) in Manisa takes into account the following principles:
Tourists carry their normal interactions and behaviours from their natural environment to a geographical space (generating area), considering the social and political regulations that shape their patterns of thought and include their travel opportunities.

Host area (the destination) serves specific social and political behaviours that shape their attitude towards tourists and their strategy to attract tourists as a network resource.

Mutual influence and interpretation field (the arrival in a tourist area) initiates the interaction between the host and the tourist.

The internet and mobile technology undeniably affected both the demand and supply side of the social marketing. On the one hand, it has changed the way in which consumers gather travel information to plan and buy their holidays. Searching for attractive, accommodating, and affordable destinations and booking those excursions remain on top of the most popular activities conducted online. On the other hand, technology also affected how tourism agents design, promote and sell their products and services. As stated in European Commission reports, in the near future tourism demand is expected to shift from mass tourism to more tailor-made tourism for individual travellers. Therefore, our study focused on the individual travel necessities of those handicapped people who have access to tourism services and transactions via mobile interfaces using web based communication formats and methods.

The first step was a field study where hotels and complementary tourism providers connected to the application map through their web site using a simple form provided by our project team. The project team collected the data from the completed forms and then prepared the data for input into our databases. This step is necessary to facilitate the involvement of providers’ accessibility. In our research, we investigated the adequacy of disabled tourist accessibility investments using a survey. Barrier-free tourism, destination marketing, and destination image are effective and actually help a group of people to participate in tourism in a manner, which respects the values of comfort, accessibility, and individualism.

**Materials and Methods**

According to TURKSTAT in Turkey, in the last quarter of 2014, utilization rate is 78.8% of the social group travel for use on the internet and the internet rate is given as 23.4%. The scope of our research in households aged 20-65 were taken as the centre of Manisa internet users as sampling frame 100.360 people. We sent organized electronic forms to 200 people through electronic mail. Approximately 150 people participated in our survey. The method chosen for the empirical data collection was a self-completed web-based questionnaire, which was answered by 151 people. We evaluated the data obtained using frequency, percentage, and chi-square. We constructed the questions after consultation with two experts. The first two questions were designed to identify the characteristics of the participants’. Questions about the proximity of persons with disabilities and ICT literacy are in the following questions as part of the evaluation regarding the obstacles travellers with disabilities. (A part of the survey results presented in 1. Bartın Sectoral Development Symposium)
Table 1: Survey Responses

<table>
<thead>
<tr>
<th>Question</th>
<th>Frequency</th>
<th>Yes Value</th>
<th>No Value</th>
<th>Yes Rate</th>
<th>No Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disability Status</td>
<td>65</td>
<td>65</td>
<td>82</td>
<td>44.2</td>
<td>56.9</td>
</tr>
<tr>
<td>Information Technology Literacy</td>
<td>142</td>
<td>96.6</td>
<td>5</td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td>Limitations Experience</td>
<td>89</td>
<td>60.5</td>
<td>58</td>
<td>39.5</td>
<td></td>
</tr>
<tr>
<td>Challenges in Transportation</td>
<td>53</td>
<td>36.1</td>
<td>94</td>
<td>63.9</td>
<td></td>
</tr>
<tr>
<td>Negative Influence of Environmental Factors</td>
<td>136</td>
<td>92.5</td>
<td>11</td>
<td>7.5</td>
<td></td>
</tr>
<tr>
<td>The Necessity of Tourism</td>
<td>131</td>
<td>89.1</td>
<td>16</td>
<td>10.9</td>
<td></td>
</tr>
<tr>
<td>Adequacy of Architectural Arrangement</td>
<td>124</td>
<td>84.4</td>
<td>23</td>
<td>15.6</td>
<td></td>
</tr>
<tr>
<td>Adequacy of the Local Arrangements</td>
<td>4</td>
<td>2.7</td>
<td>143</td>
<td>97.3</td>
<td></td>
</tr>
<tr>
<td>Escorted Travel Opportunities</td>
<td>79</td>
<td>53.7</td>
<td>68</td>
<td>46.3</td>
<td></td>
</tr>
<tr>
<td>Unaccompanied Travel Opportunities</td>
<td>15</td>
<td>10.2</td>
<td>132</td>
<td>89.8</td>
<td></td>
</tr>
<tr>
<td>Promoting the Architectural Arrangements</td>
<td>141</td>
<td>95.9</td>
<td>6</td>
<td>4.3</td>
<td></td>
</tr>
<tr>
<td>Contribution to the Promotion Level</td>
<td>126</td>
<td>85.7</td>
<td>21</td>
<td>14.3</td>
<td></td>
</tr>
<tr>
<td>Disabled Friendly Architecture</td>
<td>109</td>
<td>74.1</td>
<td>38</td>
<td>25.9</td>
<td></td>
</tr>
<tr>
<td>Electronic Access</td>
<td>141</td>
<td>95.9</td>
<td>6</td>
<td>4.1</td>
<td></td>
</tr>
<tr>
<td>All Disabled Friendly Markers Total</td>
<td></td>
<td>66.7</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Ozbalci, 2015

People with disabilities, instead of making some kind of apology live in different degrees of difficulty in their roles at school, work, and social life. We assessed all the degrees of difficulty together in questions. The goals of the study focused on survey and social responsibility conducted towards UN Disability Rights Conventions Article 8 (2) (a) and (ii) the bend requirements for “the design of the campaign to raise awareness in the community, initiating and sustaining” and "positive approaches and strengthening social awareness towards persons with disabilities". The factors related to our goals are listed in the UN Disability Rights Convention: Article 9. Accessibility: "1. (a) Buildings, roads, transportation and schools, housing, medical facilities and workplaces and other indoor and outdoor facilities, including, (b), including electronic services and emergency services, information and communication tools and other services. 2 (g) to promote persons with disabilities and access to the system to new information and communication technologies, including the internet, (v) Accessible information and design of communication technologies and systems, development and dissemination to promote at an early stage and therefore provide these technologies and systems at minimum cost to be reached.

As seen on Table 1, participants faced with disability reside in 45% of households. Approximately 60.5% rate had experience of temporary disability, has experienced a 36% increase in transportation difficulties. 92.5% of respondents in our survey agree that the environment is prohibitive. Tourism and travel, is regarded as mandatory requirements in 90% of responses. Support for promoting investment in the disabled leisure space is 95% of the population. Eighty-Five percent of respondents say accessibility is an indication of an advanced society. Physical barriers are effective 75% in the image of the destinations. According to the cross-tabulation results, it is considered unequal if a disabled person cannot do an unaccompanied trip or stay. The results are confirmed that it is easier to access disabled leisure spaces that facilitate accessibility by everyone (rate of 95.9%), by using electronic sources.

Results And Discussion

Turkey made extensive efforts to attract foreign tourists with modern facilities, affordable rates and a good reputation of safety and hospitality for last two decades. Tourism has been one of the main areas of development, and authorities decided to emphasize the development of domestic tourism. It is slowly becoming top priority for the government. The question of social tourism as stated in Turkey 10. Development Plan "2.9. Social Protection" section as specified in Article 284: "It will be increased for the disabled: education, employment and effectiveness of the care and supervision. In this context, resources to be used more efficiently and will make reasonable physical environmental conditions of the disabled." Further emphasis includes:
Turkey as an emerging market in the world in the case of elderly and disabled tourism. Accessibility for people with disabilities will be made for the tourist destinations in Manisa. The well-planned venture aims to equip with services and activities that have been tested. The following are required to be in a disabled-friendly tourist centre (UNWTO, 2013, p. 6-12):

- Destination management for the disabled,
- Tourism information and advertisements disabilities can access,
- Urban and landscape architecture for all,
- Accommodations, transport and station management for people with disabilities,
- Food service and contracts,
- Other tourism activities and events for people with disabilities.

Basic elements for disabled documentation are grouped in eight titles by European Union report in 2004 (Westcott, 2004: p.8):

1. Standard text: printed information should be in simple, straightforward, nontechnical language. Alternatives should be provided for people with visual impairments or reading difficulties.
2. Accessible Internet: a website should be operable with the keyboard alone and provide meaningful text descriptions in place of pictures.
3. Email, fax/text phone: a means of communication for many people, including people with hearing impairments. Text phones assist communication, but may be more appropriate for larger facilities.
4. Large print: most people requiring large print prefer it in the range of 16 to 22 point and in a sans serif font. Simple large print documents can be produced using photocopiers or PCs.
5. Braille: standard information, such as fire alarm procedures or guide books, which rarely change, could be provided in Braille. It may be costly to provide information which requires constant updating in Braille.
6. Audio recordings: assist people with visual impairments and people who have difficulty reading. Information should be presented slowly, with key messages repeated.
7. Sign language: allows people with hearing impairments to communicate; however, sign languages are as diverse as spoken languages.
8. Induction loop system: helps people who use a hearing aid by reducing or cutting out background noise. They can be useful in a variety of public situations including theatres, meeting rooms and ticket counters.

In our study, we created a project based on the Turkey Accessibility Strategy and National Plan of Action (2010-2011). Thus two main targets were introduced, firstly physical environment and transportation (place and the services offered), and then access to relevant information and messages. As the goal of the project, we wish to include these arrangements on the accessibility map of Manisa. The map includes cards with emergency information, traffic signs, and restaurant and parking indications with their accessibility level. Additionally it can also provide access for people with disabilities to use the additional signs like phone, information desk, tourist centre etc. Accessibility map will contain the following elements:

- Parking areas: for orthopaedic disabilities, tourist destinations or buildings provide special parking spaces close to the entrance and exit.
- Communication Tools: Telephones and other communication systems (fax, internet, etc.), The availability of height should be designed to remove mobility issues or sensory problems.
- Signposts: Information, check-in and ticket offices, close to the entrance as possible and clearly marked, should be accessible by everyone. Announcements are both visually and aurally. Disabled accessible services and facilities must be clearly marked with understandable symbols and colours in the appropriate sizes.
- Horizontal mobility: the main corridors and passageways must be free for people with disabilities and should be wide enough for wheelchairs for disabled people.
- Vertical Mobility: Lifts, escalators and ramps, toilet facilities of the accessible stalls and sinks, other appropriate infrastructure and services.

Additionally our recommendation for further research, placing a link for the sample of an accessibility map on the survey form would be helpful for the imagination of the main idea. Weekend schedule was the limitation of this research and inadequate for coding an application. Figure 1 shows the specific application sample.
All the special services listed above will be accessible on mobile platforms and web environment with these functions on Electronic City Guide:

- a) Reviewing layout of the public and accessible tourist areas,
- b) Research to find placements for disabled destinations and services,
- c) The information on services for the disabled in a residential area,
- d) Location-based routing for individuals; accessible areas, location offers and navigation for services, etc.

Additionally our recommendation for further research, placing a link for the sample of an accessibility map on the survey form would be helpful for the imagination of the main idea. Weekend schedule was the limitation of this research and inadequate for coding an application. Figure 1 above, shows the specific application sample.

The location marking needs to be accessed independently of any type of devices (smart technology) and platforms to provide a given destination as a choice of destination by all people. To benefit from the emerging technologies of all individuals in the different groups in a society is a social responsibility for anyone. For barrier-free design of all facilities in the city of the project, planners initiated design work to make appropriate arrangements for the access of people with disabilities. Thus, local people and tourists can both benefit from effective arrangements, which will be widely controlled and completed. Then, the results of this work will be that the city's accessibility map becomes successfully completed and fully functional. As a result, providing access via electronic map develops regional accessibility and increases the international visits of disabled tourists to the target area. By placing the appropriate symbols of these barrier-free points on the accessibility map, city guides will provide access worldwide, for international tour operators, disabled families and elderly tourists.

Social tourism relates with real-life circumstances. As stated on eCalypso web site, these are such that it is “totally or partially impossible to fully exercise the right to tourism”. This may be due to economic conditions, physical or mental disability, personal or family isolation, reduced mobility, geographical difficulties, and a wide variety of causes, which ultimately constitute a real obstacle. Our survey reveals difficulties other than accessibility to information and services make domestic and abroad holiday difficult for people with disabilities. Whence making easier access to destinations and services with a technology undoubtedly useful for everyone.
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Consumer Behaviour on Green Products in London Borough of Ealing

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Abstract

Consumers are now increasingly concerned on environmental issues as never before. As a result, green marketing concepts have become widely popular all over the world. The study’s aim was to understand consumers’ behaviour on green products with reference to London borough of Ealing. This study was used predominantly quantitative research techniques, underpinned by quantitative research methods. The data was collected by using a structured questionnaire from 120 consumers who live in London borough of Ealing. Findings were derived from various statistical techniques such as descriptive statistics and statistical inference techniques. Findings were revealed that there were no different among young vs old, male vs female, higher vs lower income holders and more educated vs less educated when selecting green products. Therefore, marketers can incorporate green marketing concepts to their strategies in order to achieve sustainable competitive advantage in long run.

Keywords: Green marketing, Green products, Consumer behaviour, Sustainable competitive advantage

1. INTRODUCTION

Nowadays, environmental based concepts are becoming more popular regardless with the depletion of resources on earth. One of the environmental based concepts is that green products which are heavily demanded by the consumers. Green products can be defined as the products which give least impact on the environment and that contain recycled components, less packaging or manufactured by energy efficiency way. According to Peattie, (2001) traditional marketing has outdated, but green marketing has emerged as everyday practice. Marketers should realize the changes of consumer behaviour on growing environmental and the responsibility towards environmental protection while engaging marketing activities due to consumers behave differently based on their gender, age, income level and education level on green products. Overall aim of this paper was to understand consumer behaviour on green products with the special reference to London borough of Ealing. Research objectives were to identify the present level of consumer awareness on green products and evaluate the significant factors affecting on demand of the green products in London borough of Ealing. Research questions were that "are consumers aware of environmental issues", "are consumers aware of green products" and "what factors influencing on demand of green products?". Key limitations of this study were that

- Limited sample size.
- This research was considered as all the green products in a common category, but findings may vary according to different categories of green products such as green FMCG, green electronic items, green electricity and ect.
- Assumptions made on hypotheses were that older people as over 45 years, higher income holders as over £30,000 and more educated people who studies in universities.

2. METHODS

This study was based on cross sectional data in 2001. Among many research strategies such as experiment, case study, action research, ethnography, it has been used survey method to conduct this study. There are mainly two types of research approaches such as inductive and deductive. The deductive method would answer why something is happening, building hypothesis based on relevant literature, examining results and verifying existing theory whether it needs any update so that it interprets with great insights. In contrast, the inductive method is a mean of collecting data in order to develop new knowledge and understanding (Saunders et al., 2003). This paper has been arranged as deductive method in order to modify existing theories. Saunders et al. (2003) elaborated that there are four different research philosophies such as pragmatism, positivism, realism and interpretivism. Pragmatism explains a mixed or multiple method design that researcher can apply both quantitative and qualitative methods. In contrast, positivism assumes that reality exists independently of the thing being studied (Newman, 1998). Additionally, Schwandt (1997) explained that “scientific realism is the view that theories refer to real features of the world”. Reality was regarded as whatever it is in the universe that causes the phenomena that perceive with
human senses. As final philosophy, interpretivism predicts that a research strategy is required that respects the differences between people and social entities and the objects of the natural sciences. As per the research philosophy, pragmatism has been applied to this study which will be judged in terms of usefulness, workability, practicality. Also, pragmatism is concerned with action and change and the interplay between knowledge and action. This makes it appropriate as a basis for research approaches intervening into the world and not merely observing the world (Iivari & Venable, 2009).

There can be mainly two ways of data collection methods such as qualitative and quantitative method. Qualitative data collection method is more concerned with words rather than numbers (Bryman, A & Bell, E., 2007). This study was used a structured questionnaire for data collection by verifying the hypotheses and research framework. The main focus was to target consumers who had the experience of purchasing green or environmental products. Both primary data and secondary data have been used for this research. The most appropriate tool for primary data collection is the questionnaire method and which has been used for this survey. It is the data, which has been collected directly from the field through asking questions from the respondents. This research was used two types of sampling techniques such as cluster sampling and convenience sampling method. Initially, cluster sampling technique has been used to divide the total population into specific geographic areas in London borough of Ealing. By using a random number generator, it was randomly selected that three districts in Ealing such as Greenford, Northolt and West Ealing. Then, convenience samples were drawn from each of district. Dividing the population in to series of relevant clusters means that the sample is more likely to be representative proportionately within the sample. Then, 40 respondents have been selected conveniently in each 3 district and all together 120 respondents have been selected. Collected structured data was analyzed by using Student’s t-test in order to test the hypothesis regarding factors affecting demand on the green products. Both SPSS and MS Excel have been used to do mathematical and statistical calculations.

3. FINDINGS

Demographic data has been tabulated below including gender, age, civil status, education, employment and income.

<table>
<thead>
<tr>
<th>Character</th>
<th>Attribute</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male Female</td>
</tr>
<tr>
<td>67</td>
<td>53</td>
</tr>
<tr>
<td>Age</td>
<td>18 – 24 25 – 34 35 – 44 45 – 54 55 – 64 65 -&lt;</td>
</tr>
<tr>
<td>16</td>
<td>47 23 17 8 9</td>
</tr>
<tr>
<td>Civil Status</td>
<td>Single Married Living together Widowed Divorced</td>
</tr>
<tr>
<td>37</td>
<td>65 2 5 11</td>
</tr>
<tr>
<td>Education</td>
<td>Basic High School University Others</td>
</tr>
<tr>
<td>58</td>
<td>31 18 13</td>
</tr>
<tr>
<td>Employment</td>
<td>Student Employed Self-emp Retired Disabled Others</td>
</tr>
<tr>
<td>15</td>
<td>66 23 6 4 6</td>
</tr>
<tr>
<td>Income</td>
<td>&gt; - £10000 £10001 - £20000 £20001 - £30000 £30001 - £40000 £40001 - £50000 £50001 -&lt;</td>
</tr>
<tr>
<td>15</td>
<td>21 46 29 7 2</td>
</tr>
</tbody>
</table>

(Source: Survey data, 2011)

Green product is the environmental concept which has become a business trend in UK. Companies are now having a growing pressure to become responsible and greener to the environment. Most stakeholders pressurise business organizations to minimise their detrimental impacts on environmental factors and societal factors (Bansal, 2005). So, most companies promote green products as their part of marketing strategic tool as well as corporate social responsibility (CSR) tool.

Many consumers all over the world state that they are concerned or very concerned with environmental related issues (Diekmann & Franzen, 1999; Dunlap & Mertig, 1995). Chan and Lam (2002) revealed that during the past few decades, consumers’ concerns about environmental degrading conditions have been increasing. Because of consumers have understood the significance of protecting the environment, so, environmentalism has become an essential subject in the marketplace (Kalafatis et al., 1999).
With the growing environmental consciousness, not only consumers are willing to purchase more products that generate least burden on environment, but also society is aware regarding environmental issues that should be neutralised in order to saving resources for future generations. In addition to that, environmental related rules and regulations have become strict to balance triple bottom line in environmental, economical and social factors. There is a significant trend among the consumers regarding conservation, preservation and protection of natural environment. Most people are willing to buy green products and are also changing their behaviour patterns to suit the environmental protection. As a consequence of those trends, green marketing has come to marketing arena which targets to create new markets by providing environmental friendly products and services to green consumers who admire the protection of environment.

Following section was based on hypothesis testing with the current green marketing literature.

3.1 H01: People in old ages are more likely to buy green products.

According to the following table 3.1, the mean response of age group 18 – 44 was 4.16, compared to mean response of age group 45 - < which was 4.14. The variation of age group 18 – 44 was 0.026, compared to age group 45 - < which was 0.037. Also, t value was 0.83 which is greater than 0.05. So, it can be concluded that there is no statistical evidence to show that there is a significant difference between two groups of age when buying green products. So, then null hypothesis should be accepted and alternative hypothesis should be rejected.

<table>
<thead>
<tr>
<th></th>
<th>Age 18 - 44</th>
<th>*Age 45 &lt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>4.155232558</td>
<td>4.14267059</td>
</tr>
<tr>
<td>Variance</td>
<td>0.026262774</td>
<td>0.037723092</td>
</tr>
<tr>
<td>Observations</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Paired variance</td>
<td>0.031992933</td>
<td></td>
</tr>
<tr>
<td>Assumed average difference</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Df</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>t-ratio</td>
<td>0.222506869</td>
<td></td>
</tr>
<tr>
<td>P (T &lt;= t) one-sided</td>
<td>0.412555486</td>
<td></td>
</tr>
<tr>
<td>t Critical one-sided</td>
<td>1.68598461</td>
<td></td>
</tr>
<tr>
<td>P (T &lt;= t) two-tail</td>
<td>0.825110971</td>
<td></td>
</tr>
<tr>
<td>t Critical two-tail</td>
<td>2.024394147</td>
<td></td>
</tr>
</tbody>
</table>

(Source: Survey data, 2011)

* Assumption: Age 45 and above were considered as older people

3.2 H02: Females are more likely to buy green products.

Many researchers argued that there is a clear cut difference between male and female when it comes to environmental consciousness especially on green products. So, they conclude that female consumers are more concern on green products than male consumers. According to Eagly (1987), female would be more careful on environmental protection and green products rather than male consumers.

According to the following table 3.2, the mean response of female was 4.14, compared to mean response of male which was 4.16. The variation of female responses was 0.034, compared to male responses which were 0.027. Also, t value was 0.74 which is greater than 0.05, so, there is no statistical significant difference between two groups of female and male when buying green products. So, it can be concluded that null hypothesis should be accepted and alternative hypothesis should be rejected.

Also, several studies have revealed that male and female have significant dissimilarity in environmental attitudes in which females showed more positive attitudes compared to the male consumers (Tikka et al., 2000; Zelezy et al., 2000). However, some researchers argued that there is no significant difference with gender when making decision on green products. To support to that argument, Chen and Chai (2010) conclude that there is no significant difference between male and female in environmental attitudes or green purchasing behaviour.
Table 3.2 - H02: Females are more likely to buy green products.

Student t Test: Two samples assume equal variances

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>4.141509434</td>
<td>4.159701493</td>
</tr>
<tr>
<td>Variance</td>
<td>0.033520076</td>
<td>0.026593662</td>
</tr>
<tr>
<td>Observations</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Paired variance</td>
<td>0.030056869</td>
<td></td>
</tr>
<tr>
<td>Assumed average difference</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Df</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>t-ratio</td>
<td>-0.331825667</td>
<td></td>
</tr>
<tr>
<td>P (T &lt;= t) one-sided</td>
<td>0.370922102</td>
<td></td>
</tr>
<tr>
<td>t Critical one-sided</td>
<td>1.685954461</td>
<td></td>
</tr>
<tr>
<td>P (T &lt;= t) two-tail</td>
<td>0.741844204</td>
<td>0.024394147</td>
</tr>
</tbody>
</table>

(Source: Survey data, 2011)

3.3 H03: Higher incomes holders are more likely to buy green products.

Disposable income is a good predictor of determining the demand of the green products (Anderson and Cunningham, 1972; Zimmer et al., 1994; Newell and Green, 1997; Roberts and Bacon, 1997).

According to the following table 3.3, the mean response of income group > - 30000 was 4.15, compared to mean response of income group 30000 - < which was 4.15. The variation of female responses was 0.034, compared to male responses which were 0.027. Also, t value was 0.91 which is greater than 0.05, so, it can be concluded that there is no significant difference between two groups of female and male when buying green products. So, then null hypothesis should be accepted and alternative hypothesis should be rejected.

But, according to Samdahl and Robertson (1989), personal income and environmental attitudes were negatively related.

Table 3.3 - H03: Higher incomes holders are more likely to buy green products.

Student t Test: Two samples assume equal variances

<table>
<thead>
<tr>
<th>&gt; - 30000</th>
<th>*30000 - &lt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>4.153658537</td>
</tr>
<tr>
<td>Variance</td>
<td>0.033351075</td>
</tr>
<tr>
<td>Observations</td>
<td>20</td>
</tr>
<tr>
<td>Paired variance</td>
<td>0.029374182</td>
</tr>
<tr>
<td>Assumed average difference</td>
<td>0</td>
</tr>
<tr>
<td>Df</td>
<td>38</td>
</tr>
<tr>
<td>t-ratio</td>
<td>0.116058174</td>
</tr>
<tr>
<td>P (T &lt;= t) one-sided</td>
<td>0.454108807</td>
</tr>
<tr>
<td>t Critical one-sided</td>
<td>1.685954461</td>
</tr>
<tr>
<td>P (T &lt;= t) two-tail</td>
<td>0.908217615</td>
</tr>
</tbody>
</table>

(Source: Survey data, 2011)

* Assumption: Yearly income more than £30000 was assumed that they were high income holders

3.4 H04: More educated people are likely to buy more green products.

Level of education has positively correlated with environmental concerns and behaviour, so more educated people would buy more green products in the market place (Anderson and Cunningham, 1972; Zimmer et al., 1994; Newell and Green, 1997; Roberts and Bacon, 1997).

According to the following table 3.4, the mean response of basic, high school and other category was 4.15; it is same of the highly educated category. The variation of high school and other category was 0.026, compared to highly educated responses which were 0.058. Also, t value was 0.97 which is greater than 0.05, so, there is no significant difference between two groups of high schools, other category and highly educated category when buying green products. So, it can be concluded that null hypothesis should be accepted and alternative hypothesis should be rejected.
Table 4.17 - H04: More educated people are likely to buy more green products.

<table>
<thead>
<tr>
<th>Low &amp; Medium Education</th>
<th>High Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>4.152120947</td>
</tr>
<tr>
<td>Variance</td>
<td>0.026267919</td>
</tr>
<tr>
<td>Observations</td>
<td>20</td>
</tr>
<tr>
<td>Paired variance</td>
<td>0.04238997</td>
</tr>
<tr>
<td>Assumed average difference</td>
<td>0</td>
</tr>
<tr>
<td>Df</td>
<td>38</td>
</tr>
<tr>
<td>t-ratio</td>
<td>0.032576044</td>
</tr>
<tr>
<td>P (T &lt;= t) one-sided</td>
<td>0.487091591</td>
</tr>
<tr>
<td>t Critical one-sided</td>
<td>1.685954461</td>
</tr>
<tr>
<td>P (T &lt;= t) two-tail</td>
<td>0.974183182</td>
</tr>
<tr>
<td>t Critical two-tail</td>
<td>2.024394147</td>
</tr>
</tbody>
</table>

(Source: Survey data, 2011)

* Assumption: More educated people as university students and university graduates

4. CONCLUSION

People are increasingly aware regarding depletion of natural resources, greenhouse gas effect and many other environmental issues. As results of those environmental burdens, greening trends have become popular these days. So, people are willing to buy environmental friendly products in order to save environmental resources. They wish to change their buying behaviour by switching from grey products into green products. This study was aimed to understand consumer behaviour on green products with the special reference to London borough of Ealing. Also main objectives were that identify the present level of consumer awareness on green products and evaluate the significant factors affecting on demand of the green products in London borough of Ealing.

Population of this study was all the inhabitants who live in the Ealing borough. It is impracticable to collect data from population due to higher cost and time sample method was formulated. It was basically two sample techniques which was use to narrow down the whole population in to manageable sample size. Firstly, whole population of the Ealing borough was divided into districts wise by using cluster sampling. Then, by using random number generator, it was randomly selected Greenford, Northolt and West Ealing. Total sample size was that 120 consumers who were selected 40 each three district. Questionnaire survey was used to gather data in order to meet research aim, objectives and questions. Respondents were asked to response the same set of questions in the questionnaire. As demographic characteristic of the respondents, there were 67 male respondents and 53 female respondents. Also they are with different age level, marital status, education, employment and income level.

Results were analysed various statistical techniques such as descriptive statistics and statistical inference techniques. In order to determine factors affecting on green products, hypothesis testing was used. According to t values of all hypotheses, it can be concluded that there is no statistical evidence to show that there are any difference with two groups of each hypothesis. These findings of the research, potentially important to marketers who make strategies on their marketing policies and programmes to win the market. Also, findings can be used to stimulate consumers who live in Ealing borough to emphasise the important of green product and behavioural change from grey products from green products. In Ealing council perspective, it is vital to make strategies on green products which would sustain the triple bottom line such as economic, social and environment.

Acknowledgement

The debt, which I owe to many individuals and institutions for the advice and support in writing of this dissertation, is very great. It is with pleasure that I single out the supports to mention here. First and foremost, I wish to express my special thanks to my academic supervisor Dr. Vipin Nadda who offered me tremendous encouragement, excellent guidance, kind advice and his invaluable time for helping to complete this study. I extend special thanks to Dr. David Holliman, who is the extraordinary lecturer throughout our lecture series, Anglia Ruskin University’s all academic and non-academic staff and LS Business School’s all academic and non-academic staff due to helping me in numerous ways. In addition, I extend my thanks to my batch mates and all the scholars of the Anglia Ruskin University for giving their supports. The success of this endeavour in bordering my horizons would be accredited with gratitude to the greatest scarifies made by my beloved grandmother, mother and father, elder sisters and younger brother who gave away their little pleasures and made a tranquil home atmosphere for me.
References


Consumer-based value creation in launching green and smart innovation within the furniture industry; the case of the GSF research project

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Abstract

Value-creation focuses on the various dimensions along which customers perceive value. However, innovation is mostly related to tacit desires and even non-existent ones. The challenge is then to create new desires and the success to turn them to needs. The research was based on two different market studies addressing furniture manufacturers and consumers of the third age, regarding the development of a respective Green Smart Furniture (GSF) product. Data were collected from a random sample of 399 consumers from different regions of Greece during 2013 and from a random sample of 85 furniture manufacturers in Greece and Cyprus. We propose a customer-based value creation framework in a context where one of the firm’s resources regards green and smart innovation. The research results and the project’s course so far indicate that customers perceive value not only from the attributes of a product itself but also from the consequences of using the product and the goals achieved by it. For firms, this fact lies to three major factors: financial and investment factor, company resources according to the market demand and marketing.

Keywords: value creation, green innovation, smart innovation, consumers research, furniture

1. INTRODUCTION

In today’s knowledge-based society science and technology seem to be the main drivers for social and economic development. With competition both in goods and service markets, companies have to search for ways to retain their customers. As customers’ demand is increasing, their participation in creation of a product or service and hence value today is a relevant object of scientists and practitioners’ discussions. Although customer behavior literature has focused on the customer decision-making process regarding purchases, customers are not only responders but also value creators, and scholars need to focus on customer behavior in this regard (Xie, Bagozzi, andTroye, 2008). On the other hand, business leaders need to move away from focusing on developing innovations and value within the classical solutions of the old industrial economy, with its firm- and product-centric view of value.In the global knowledge economy we have to increase the focus, through customer needs, on innovation and value creation (Priem, 2007). Enterprises need to focus on providing tailor-made products and services according to contemporary customers’ needs (Johannessen and Olsen, 2010).

2. LITERATURE REVIEW

2.1 Value creation in the contemporary market context

To develop a value-creation strategy a firm must first identify what points of value their potential customers seek (O’Cass and Ngo, 2011). Value-creation strategies focus on the various dimensions along which customers perceive value. Ulaga(2003) identified eight dimensions of value creation in a business-to-business context: product quality, service support, delivery performance, supplier know-how, time-to-market, personal interaction, price, and process costs. Smith and Colgate (2007) proposed a customer-value creation framework that identifies four main types of value that can be created by organizations: a) Functional/instrumental value: the extent to which a product is useful and fulfills a customer’s desired goals, b) Experiential/hedonic value: the extent to which a product creates appropriate experiences, feelings, and emotions for the customer, c) Symbolic/expressive value: the extent to which customers attach or associate psychological meaning to a product and d) Cost/sacrifice value: the cost or sacrifice that would be associated with the use of the product. O’Cass and Ngo (2011), assert that a firm’s pre-emptive value-creation strategy is comprised of the product’s attributes and the attributes’ performance and to the fair price or the value price. The fair price refers to customers believing they are paying a fair price for a product or service; the value price refers to a price that justifies the benefits of purchasing a product. Under modern market conditions, customer engagement into value creation is acknowledged as a factor that makes it possible for companies to survive the competition (Banyte
and Dovaliene, 2014). Two streams of research exist within this research domain. One stream focuses on value from the managerial perspective (O'Cass and Ngo, 2011; Ngo and O'Cass, 2009; Sirmon et al., 2007), while the second stream focuses on value from the customers' perspective (Priem, 2007; Ulaga and Eggert, 2006; Desarbo et al., 2001). However, value creation is a multi-stage process involving different users of value at different points in the process (Bowman and Ambrosini, 2000). Value creation offers several advantages including understanding customer needs, and continuous inter-organization cooperation resulting into competitive advantage (Chen, 2012; Ching et al., 2011; Vargo, 2004). According to O'Cass and Sok (2013), a firm's innovation capability has a positive effect on the firm's value offering, the value offering has a positive relationship with customer perceived value-in-use (PVI), and PVI has a positive relationship with firm performance.

2.2 Green and smart innovations in furniture industry

On the other hand, the global financial markets, public opinion, consumers but also the implementing policies at a global level, ask at a persistently way from the enterprises to improve their environmental performance. A common element, very significant for the enhancement of business competitiveness too, between classical entrepreneurial activity and environmental friendly economic activity, is innovation and the effective use of resources (Trigkas et al., 2012; Springett, 2003; Porter, 1990). The environmental innovation and strategy literature frequently encourage firms to make strategic commitments towards environmental protection activities as a means to increase also firm profitability and competitive advantage (Porter and van der Linde, 1995; Porter and Reinhardt, 2007 and Unruh and Ettenso, 2010). The recent introduction of the Green Innovation Value Chain (GIVC) concept highlights also the central role of customers' perceived value in the whole value chain (Olson, 2013). The number of companies interesting on environmental performance which address their environmental effort early in the supply chain is increasing (Fronde1 et al., 2007; Epstein and Roy, 2006). Focusing on the furniture industry, a study of Handfield et al. (1997), suggest that in order to be successful, environmental management strategies must be integrated into all stages of the value chain. While the potential for environmental performance improvement is evident, furniture enterprises demonstrate“pockets” of environmentally-friendly practices in different areas of their respective value chain functions. The propositions and results emerging from the research also suggests that environmental friendly products, must anticipate and pre-empt changing environmental regulations and customer expectations (Handfield at al., 1997). Regarding Greece, the investigation of the effect of green entrepreneurship to the furniture consumers has shown that the majority of the consumers confront more positively the firms that prove in deed their ecological perceptiveness (Trigkas et al., 2011). Furthermore, technological development and especially the fast development of information technology is one of the forces changing the value creation in products. Innovations in information technology continue to open up areas for new kinds of products. The realization and use of ICT creates challenges to managers regardless of whose perspective, buyer’s or seller’s, is adopted (Komulainen et al., 2004). Smart furniture constitutes the future evolution and tendency in furniture industry (Zongdeng and Wenjin, 2010; Tokuda et al., 2003). Thus, a smart furniture product has the capability to alter a conventional space into an intelligent spot that includes computing systems (Ito et al., 2003) under the context of a Ubiquitous Computing (UmipComp) environment (Wuliji, 2009).

The aim of the present research is to propose a customer value co creation framework that apply to a context where one of the firm’s resources is green and smart innovation in furniture products. The target group is people of the third age with special needs and value perceive attributes. Research is based to the process of new Green and Smart Furniture (GSF) product development. It is an ongoing project aiming to the development of intelligent and purely ecological furniture. The main idea is to improve the existing way of in-house activities and operation regarding the furniture, utilizing modern technologies not only for the manufacturing and material and final product traceability, but also at the furniture’s use.

3. RESEARCH METHOD

The research was based on two different market studies addressing both the furniture manufacturers and the consumers of the third age. Two different questionnaires were developed to serve as the basis for collecting data pertaining to the study's parameters. It should be noted that most questions reflect perceptions of the interviewed sample in order to outline the trends regarding GSF for the specific target groups and the perceived value of such a product, during its development from both of the stakeholders groups; firms and consumers. The items pertaining to each scale were pre-tested with 5 face-to-face interviews. The pre-testing process allowed the researchers to assess the content validity of items and ensure that interviewees understood the research instrument as they were intended. The research contains data from a random sample of 399 consumers from different regions of Greece during 2013 and from a random sample of 85 furniture manufacturers; 36 Greek
furniture enterprises, 25 Cypriot ones and 24 sectoral experts and relevant institutes in Greece and Cyprus. Before the launch of the study, a content validity test was conducted regarding the questionnaires. This test was based on discussions with furniture enterprises and specialized scientists in the furniture field along with the extended literature reviewing. The construct validity was based on the test of unidimensionality of the elements constituting each factor, as well as the content validity of each factor separately. We used Factor analysis according to the method of Principal Component Analysis. Regarding the content validity of the research variables, the statistical factor of Cronbach’s Alpha was used (Sarigiannidis et al., 2009; Siomkos and Vasilikopoulou, 2005). Data were processed and statistically analyzed and all the related tests were made (Norusis, 2007; Howitt and Cramer, 2003).

4. RESULTS

4.1 Attributes shaping firms’ value offering

In spite the severe economic crisis in Greece and Cyprus, the sampled firms admit that consumers in their majority are moderately or very little interested in ecological furniture or woodworking in general (54.0% and 60.9% respectively). A percentage of 18.9% and 17.3% respectively are conscious consumers of the above product categories and can constitute the ideal target groups. Bigger companies have customers who are more sensitive to ecological issues and, by way of consequence they are more interested in buying eco-furniture. An important question of the research referred to the intention of consumers to buy ecological furniture by paying an additional amount of money compared to conventional furniture. Cypriot entrepreneurs believe that their customers would be willing to pay an average of 11% more money in order to buy eco-furniture. Therefore, it seems that entrepreneurs and consumers' estimations converge regarding the added value of eco-furniture. On the contrary, Greek consumers seem reluctant to pay an additional amount of more than 9%. This results to a difference of 6% between suggested prices of suppliers and customers. Table 1 presents insights and speculations provided by the entrepreneurs regarding eco-furniture production or retail investments and relevant decision-making to eliminate risks regarding green marketing and certified sustainable wood promotion. Greek wood and furniture entrepreneurs’ major concerns refer to the business risk and the size of uncertainty that the company encounters in case of choosing a green marketing strategy as well as the size of the new investment. These two factors were ranked first and second (4.29 and 4.11 respectively with 5 to be the most important). On the contrary, at the time of the research, Cypriot firms were more concerned on a) Prospective price, guarantees, potential discounts, and economic supplies of the products (3.76) and b) raw materials, trademarks, packaging, size, colors and product view in general (3.71).

<table>
<thead>
<tr>
<th>Questions regarding certified wood</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Greece</td>
</tr>
<tr>
<td>1. Business risk and size of uncertainty</td>
<td>4.29</td>
</tr>
<tr>
<td>2. Investment size</td>
<td>4.11</td>
</tr>
<tr>
<td>3. Prospective price, guarantees, potential discounts, economic supplies of the products</td>
<td>4.00</td>
</tr>
<tr>
<td>4. Questions on raw materials, trademarks, packaging, size, colors and product view in general</td>
<td>3.95</td>
</tr>
<tr>
<td>5. Best ways for fund sourcing: own funding, borrowing, leasing etc</td>
<td>3.84</td>
</tr>
<tr>
<td>6. What will be the variable cost and how will fixed cost be charged? What about promotion and production costs?</td>
<td>3.68</td>
</tr>
<tr>
<td>7. What will be the process and the time needed to replace conventional wood with certified wood?</td>
<td>3.62</td>
</tr>
<tr>
<td>8. Do consumers, market conditions and competition allow for such changes?</td>
<td>3.45</td>
</tr>
<tr>
<td>9. Can existing production facilities, know-how etc support this new business concept?</td>
<td>3.45</td>
</tr>
<tr>
<td>10. Can existing resources (sales, channels, human capital etc) support this new business concept?</td>
<td>3.34</td>
</tr>
<tr>
<td>11. What is the optimum production quantity?</td>
<td>3.30</td>
</tr>
<tr>
<td>12. Which are the specific distribution channels and the relevant intermediaries’ networks?</td>
<td>2.81</td>
</tr>
</tbody>
</table>

The reliability test (Cronbach’s Alpha = 0.815) of the above concerns’ importance and the relevant decision making indicates that the deterministic variables (responses) are concrete and reliable structures, capable to contribute to the measurement of the factor they belong to. Factor analysis after the factor matrix rotation showed three major factors: financial and investment factor (variables 10, 11, 9, 12, 4, 8 of Table 1), company resources according to the market demand (variables 2, 1, 3 of Table 1), marketing (variables 5, 6, 7 of Table 1). These 3 factors have quite high eigenvalues which reach the 63.2% of the total variation.
4.2 Attributes of consumers value proposition

A 54.4% of the consumers’ target group admits that they are not willing to replace conventional furniture with green and smart ones unless it is cheaper (Figure 1). However, there are also three more criteria that seem to have a significant role in purchasing GSF: a) health condition (50.4%), b) assistance of GSF to everyday living (49.4%) and c) environmental protection along with the improvement of their everyday living conditions (49.1%). The analysis of the answers indicated characteristics and properties desired by GSF in regard to: a) environmental and natural resources protection, b) technology and its applications, c) the specific needs and demands of end users and their surrounding space. Finally, the three most important factors that influence the participants’ decision in purchasing GSF appear to be price, quality and functionality of the furniture as presented in Table 3. The rest of the factors follow, such as safety and ergonomics, environmental protection, technology and the design. The above mentioned factors of Table 3 are correlating each other and the correlation analysis using the Pearson correlation coefficient (Pcc) indicates that at a significance level of 0.01 the factors that affect positively each other in order for a consumer to buy GSF are the following:

- Quality in relation to a) raw materials used (Pcc = 0.606), b) functionality (Pcc = 0.469), c) ergonomics and safety (Pcc = 0.412).
- Price in relation to a) quality (Pcc = 0.365) and b) functionality (Pcc = 0.229).
- Functionality in relation to a) safety and ergonomics (Pcc = 0.626) and b) raw materials used (Pcc = 0.560).
- Design in relation to a) technology (Pcc = 0.624) and b) ergonomics and safety (Pcc = 0.455).

Based on these findings, it is speculated that the added value for the GSF consumer is significantly related to economic factors, which is quite expected within the context of the severe Greek economic crisis. Qualitative characteristics and facilitation of everyday routine of users follow indicating that the main criteria regarding the decision of purchasing GSF are not substantially different of those for the conventional furniture. Nevertheless, firms will have to detect these specific elements that will allow them to achieve differentiation during production, including the incorporation of sophisticated technology and environmental protection in their products.

4.3 Customer-based value creation framework

Figure 1 illustrates the proposed customer value creation framework, based to the above analysis. Firm’s value offering is organized into the categories of value creation that apply to a context where one of the firm’s resources is green and smart innovation in launching a new product. Using the value offering, firms must create a customer value proposition that fulfills customer needs.

Figure 1: Proposed Customer-based value creation framework as developed within the GSF research project

According to the proposed framework, third age consumers’ everyday living and its difficulties regarding the use of furniture, seem to play the most significant role, along with health improvement and environmental protection. Price also plays a crucial role. A GSF product, should be based to anthropocentric design, facilitating users’ everyday living, including simple and friendly technology regarding health issues. Furthermore, contemporary consumers of the third age, seem to be quite aware on environmental issues, a fact that furniture enterprises should take under consideration regarding their strategy. GSF customers’ value hierarchy identifies that customers perceive value not only from the attributes of a product itself but also from the consequences of
using a product. Thus, the average third age consumer, wishes a “multi-functional” furniture, which will also be able to reduce the costs of living, in an indirect way, satisfying as much needs as possible. The cost/sacrifice value identifies the customer’s perception of whether the value created is worth the cost paid. The commoditization of GSF products allows furniture manufacturers to provide differentiated products at a price point, that a great part of the third age consumers could afford, thereby increasing the customer perception of value added.

5. CONCLUSIONS

Concluding we can argue that, the basic criteria regarding the purchase of a GSF product are not fundamentally varying, in relation to the conventional furniture, fact that constitutes rather a convenience for firms to orientate their value offering. Nevertheless, regarding their manufacturing strategy, firms should try to detect these differentiation attributes that could allow them to achieve their goals, including sophisticated technology and environmental protection along with affording prices, based to their customers’ needs. The functionality of a GSF product should take under consideration the facilitation of everyday living of users and their adjustment to anthropometric attributes based to age and security. These attributes are also closely related to the perceived value of quality for the people of the third age. GSF products customers’ value hierarchy identifies that, customers perceive value not only from the attributes of a product itself but also from the consequences of using a product and the goals achieved by it. We can argue that, GSF customer value perception could be defined as a customer’s evaluation of what they get in return for what they give. Firms must create a customer value proposition that fulfills customer needs. From their point of view, this proposition lies to three major factors: financial and investment factor, company resources according to the market demand and marketing. Thus, furniture manufacturers could base their strategy and business planning to the proposed value creation framework, in order to improve their competitiveness.

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E-complaint services for consumer goods. Results from an empirical analysis in Italian supermarkets

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Abstract
Customer satisfaction is one of the most important issues concerning business organizations of all types, which is justified by the customer-orientation philosophy and the main principles of continuous improvement of modern enterprises. Nowadays most companies operate multiple channels including Internet. For companies, receiving a complaint by Internet is particularly attractive as online complaint management increases both the efficiency and effectiveness of complaint management. Moreover, complaint channel choice and online consumer complaining behavior have received only limited attention.
The aim of this paper is to verify the after sale service of 138 companies producers of consumer goods. In particular, this study measures the response time and the quality of the answer after a complaint sent by email or web form. The sample is composed of food (no fresh, no private label) goods and they are randomly selected from the shelf of supermarket.
In our sample, a small percentage of companies don’t write the Internet site or an email address on the product’s label (14%). Only large enterprises and multinational companies answer in less than 24-48 hours. Often they personalize the reply and only in few cases they surprise their customer with something the customer doesn’t wait. Probably, small and medium enterprises don’t consider the customer service a main component of the business.
Keywords: Web Service, Complaint, Consumer goods, Customer service

CUSTOMER SATISFACTION AND AFTER SALE SERVICE

Traditionally, companies have relied only on differentiation of products and services to retain their customers and also to satisfy the consumers. However, times have changed, due to fierce competition from new players entering the market, imitation of new features and increase in number of new offers, customers have acquired new choices and they have also become more price sensitive, which has forced marketers to adapt differentiated and customer oriented strategies in order to enable them to stand out in the competition and gain a competitive edge. According to Singh (2006), one of the fundamentally important drivers of organizational success is that enterprisers must take the needs and wants of their customers into account. That is the reason why the researchers such as Reicheld & Sasser (1990); Ciavolino & Dahlgaard (2007), Singh (2006); Carpenter (2008) have paid attention to the importance of customer satisfaction, loyalty and retention have been continuously paid attention worldwide.
Customer satisfaction is considered very important, it shows how firms are committed to provide quality product or services to their customers that eventually increase customer loyalty. Organizations have to provide better after sale services to retain and satisfy its customer. Making and retaining valuable relationship with customer while using every aspect of taking, retaining and enhancing customer is known as customer relationship management (Kotler and Armstrong, 2010). After-sale services make customer safeguard and without having an effective service, market share can be reduced. So services to customer are not business but it is the main component of the business (Bozorgi, 2007).
After-sales, referring to the activities taking place after the purchase of a product, has been seen as not only a profit source but also a significant differentiating factor among companies (Wise and Baumgartner, 1999). After-sales can of course be understood widely, to describe a variety of activities. However, it can also be seen as only a “product support” activity (Leleand Milind, 1997). Often remaining as the only point of contact with the customer after purchase (Gallagher et al., 2005), the support activities have a significant impact to brand perception and customer retention (Alexander et al., 2002). Organizations are more customers oriented they have to satisfy their customers, the satisfied customer enables organization to retain more customers, which results in high sale turnover, higher productivity and profit to the organization. Customer satisfaction is related with loyalty of the customer and financially stable performance of the firm (Loveman, 1998). Customer satisfaction must be the primary objective of the organization for success and growth (Pertson and Willson, 1992).
COMPLAINT MANAGEMENT ON INTERNET

The management of complaints is a part of service provided to customers. “Service recovery is essential due to the inevitability of service failures” (Goodwin and Ross, 1992). If a company does not handle service complaints accordingly it may lead to negative and harming word-of-mouth and the customer will be lost to competition (Tax et al., 1998). According to Sparks and McColl-Kennedy (2001), service recovery is a necessary tool in order to keep ones good reputation, avoid bad PR and have satisfied as well as loyal customers. According to Schoefer and Ennew (2005) regardless of the procedure, “customers expect a speedy, confident, fair and personalized complaint handing”. Goodwin et al. (1992) found that an apology is a crucial part of the service recovery process and since it will diminish the negative feeling the customer has towards the company. Traditionally, customer complaints were regarded as negative events, i.e. as indicators of quality concerns or corporate failure. Hence, a majority of companies engaged in defensive communication strategies by denying the complaint issue, offering materialistic solutions ‘out of courtesy’ or simply ignoring the complaint (Dubé and Maute, 1998; Hansen et al., 2010).

Yet, with the rise of customer-centred marketing philosophies and the systematic development of relationship management strategies in the 1990s, complaints were increasingly understood to be personalised communication opportunities at the request of the customer (Homburg et al., 2010; Volkov, 2004). The growing influence of the Internet at the start of the new century and the more recent social media networking trend have consequently exposed the passivity of prevailing complaint management strategies with regards to profiling and effectively communicating to e-complainers. As such, the public, intertextual and instantaneous character of online communication channels (e.g. public forums, virtual worlds or Twitter) necessitates the transformation of existing complaint management approaches into pro-active, multidimensional and continuous e-communication strategies (Khammash and Griffiths, 2011).

From a consumer’s perspective, the Internet has significantly lowered the psychological barriers to complain as customers are in full control over the extent and depth of the communication exchange with regards to content, timing, self presentational cues and subsequent reciprocity (Kozinets et al., 2010).

In the e-complaint context, the response speed constitutes the quality perceived by the customer. In this case a trade-off involves the choice between personal and automated response communication. Numerous studies indicate the superiority and positive effects of personalized feedback on e-consumers post-complaint evaluation (Smith et al., 2010). However, at the same time, online communication seems to carry an inherent expectation of timeliness, i.e. instantaneous feedback which, if delayed, has negative consequence on customers’ corporate responsiveness perceptions (Matzler, 2005; Neale et al., 2006). Despite the aforementioned current predominance of automated e-mail response communication strategies, recent studies on complaint classification systems and agent-based complaint profiling systems seem to indicate a trend towards facilitated e-personalisation of response message communication (Galitsky et al., 2009).

METHODOLOGY

The objective of this study is to verify the after sales services of manufacturers that sell customer goods. An empirical method has been used to measure the customer service. Effective-complaint service is a key to customer retention. Consumers asserting that they will not make a repeat purchase or continue with the company’s services in bad experience. In order to attain new customers and retain the older one, an effective after sales service cannot be ignored. According to Palmer (2002) the main purpose of providing after sales services to customers is through this mechanism the company is able to maintain relationships with customers.

In this study we have selected 138 different goods from the supermarket. All the products have been selected randomly from the grocery. Following we present the main research phases:

- Product selection: food products, no fresh, and no private labels. Private labels are product sold under the retailers brand instead of the manufacturers (Burton and al., 1998) and in this study we aim to investigate the manufacturer’s behavior. The price of products are between 1,10 € and 6,99 € because they are the foods most selling in the supermarkets (Nisticò and Anania, 2011).
- Channel detection: on the product usually there are or the internet site address, or customer service email, or a toll free number.
- Data base compilation: for every product we record the purchase date, the product, the company name, and all the information inherent the customer service.
- Simulation: we send a complaint by email or by form. In this message we declare that product we purchased has some problems in the packaging (“Your package has a problem when I open it”, “The
product is very different from the image on the pack”), or in the taste(“In this batch the taste of the product is not like as usual”), or we needed more information about the mode of employ(“Can I use you product with…”). We record the day and the hour of sending in our data base.

- Waiting of the response. After this first contact, we wait the response. When an answer arrive, we analyze the message received.
- If the response time is greater than one week, we solicit the company using a different channel or the free toll number.
- Answer analysis. When the answer arrives, we analyze:
  - Response time: It represents the period of time from the question to the answer. Response time have an impact on satisfaction level of after sales services. The satisfaction received from after sales service varies significantly with response time of solving complaints. The quicker the problem is resolved the more satisfied customers are with the services (Banerjee S., Singh P.,2013).
  - New requests: it represent the need to solicit the company for an answer. These are surprising results given that past research has demonstrated that customer satisfaction is significantly affected by the difficulty to receive an answer (Stiefbold R., 2003).
  - Personalization of the answer: Usually companies can answer in two ways: automated message; personalized message. The personalization has more value added than the automated answer or a preformatted message. Company can create strong bonds with customers by individualizing and personalizing relationships (Kotler and Keller, 2009).
  - Complaints resolution: Explanation of the problem and highlighting of the solution. Halstead and Page (1992) demonstrate that for complainer who were dissatisfied with the product, however, satisfaction with complaint resolution did lead to significantly higher repurchase intentions (Halstead, Page, 1992).
  - Plus: it represent something the customer doesn’t wait. This is something different from the mere answers or apologizes, and can be a coupon, a gadget or a new product to test. The overall rule of thumb for compensation at service failures should be “well dosed generosity”. Also, over-generosity does not seem to result in higher repeat purchase rates (Priluck and Lala, 2003)

RESULTS

We checked 138 different goods selected in Italian supermarkets in the North Italy area. There aren’t any customer service indicated on 19 labels, only the company address and in some cases a toll free number. After the sending of the complaint, in 10 cases the answer arrived in a period beneath 24 hours, 18 cases within 48 hours and in 15 cases in a period beneath 72 hours. 37 companies did not answer. In a study, Zaugg (2001) affirms that while most customers expect an answer within 24 hours, customer care managers are convinced that two to three days is an appropriate response time for straightforward problems. This disconfirmation of customer expectations leads to a low perceived probability of success for online complaints, which in turn reduces the likelihood that computer-mediated communication will be chosen for complaining in future. We sent 31 reminders when the response time was greater than a week. In this case, we have used or Web form or a toll free number. Only in 8 cases we received an answer. In the case on the telephone contact, often we found a pre-recorded message.

If we consider the total cases (82) with a response, 21 companies replied with automated messages, while in 61 cases companies used customized messages. Customers who feel they are treated as individuals are more satisfied with their experience and more inclined to remain loyal and loyal customers buy more, purchase more often (Ball et al., 2006), cost less to serve, and have higher retention rates. Authors stated that the cost of attracting a new customer is five times more than the cost of retaining an existing customer (Berry and Parasuraman, 1991; Reichheld and Sasser 1990). Loyalty is defined as a “deep commitment and for a customer to become and remain loyal, he or she must believe that the organization he has opted for will continue to offer the best choice alternative”(Oliver, 1999). Personalization of a message is very important because “Personalization is about building customer loyalty by building a meaningful one-to-one relationship; by understanding the needs of each individual and helping satisfy a goal that efficiently and knowledgeably addresses each individual’s need in a given context” (Riecken, 2000).
Table 1: Main results of the research

<table>
<thead>
<tr>
<th>TYPE OF ANSWER</th>
<th>CUSTOMIZED AND SOLUTION</th>
<th>CUSTOMIZED AND POSTPONEMENT</th>
<th>AUTOMATIC RESPONSE</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25</td>
<td>36</td>
<td>21</td>
<td>37</td>
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<tr>
<td></td>
<td>4</td>
<td>11</td>
<td>16</td>
<td>16</td>
</tr>
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<td></td>
<td>2</td>
<td>6</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RESPONSE TIME</th>
<th>TOTAL</th>
<th>GREATER THAN 1 WEEK</th>
<th>BETWEEN 3 DAYS AND 1 WEEK</th>
<th>BETWEEN 2 DAYS AND 3 DAYS</th>
<th>BETWEEN 1 DAY AND 2 DAYS</th>
<th>LESS THAN 24 HOURS</th>
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<tr>
<td></td>
<td>119</td>
<td>37</td>
<td>31</td>
<td>8</td>
<td>15</td>
<td>18</td>
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<td></td>
<td>10</td>
</tr>
<tr>
<td>TOTAL</td>
<td>37</td>
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</tbody>
</table>

25 companies have explained the origin of the problem and suggested a solution, while 36 companies have postponed the solution to another email or contact. A justification has been commonly used, namely in 30% of the responses. This represent the "Responsiveness" in the Parasuraman and Berry’s model. Responsiveness is the willingness to help customers and provide prompt service. A Johnston's study emphasizes that it is a crucial factor, as it is a key component in providing satisfaction and the lack of it is a major source of dissatisfaction (Johnston, 1995).

In 4 cases vendors exceeded expectations of customers. Kotler and Keller (2006) explained that the delivery of high customer value or exceeding expectations of customers, by what is important to customer, is the key to success. Gould (1995) supported it and added that the organization should exceed the expectations of the customers’ especially on value, service and dealing with complaints because “a loyal customer serves as testimonial, distributes positive word-of-mouth, and loves to use the company’s services”. These are the best practices of our sample:

- A coffee company sent us a good to replace the old one;
- A company operating in the production and commercialization of bakery products and a manufacturer of branded chocolate and confectionery products sent us a sample of their goods.
- A producer of orange juice sent us a little gadget

Large enterprises and multinational companies (32) are more ready to solve a complaint by email. According with Schilirò, small and medium Italian enterprises highlight the low use the customer service (Schilirò, 2012). In our research, eight of ten companies that responded in less than 24 hours are large enterprises or they are a part of multinational group.

CONCLUSIONS

The main objective of the research was to identify if the customer goods manufacturers use an Internet based complaint service. Moreover, this study would evaluate the time to response and the quality of the message after a complaint. A large amount of companies writes the customer service address on the label. Only a little percentage of our sample answer to the complaint in less than 24 hours, while a large percentage don’t answer to complaint. This represent the lack of an effective e-complaint service on the majority of the sample. Likely, managers disregard evidence that shows how complaint service provides a significant financial return. In some cases, companies fail to make easy for customer to complaint or give feedback.

Large companies recognizing that current customers are a valuable asset base, while small and medium enterprises need to develop effective procedures for complaints following unsatisfactory experiences and they don’t consider the customer service a main component of the business. Even if many researcher put in evidence that the personalization of the answer can create strong bonds with customers, in our sample many companies use preformatted email. Internet is mainly used to present products and company, but at moment doesn’t represent an effective channel to manage complaints.

This research analyzed only food consumer goods. New researches should evaluate if exist differences between food and no-food industries. Another weakness of this study is the region of Italy of the sample. Many products have the origin from the same region. Perhaps a different sample in a different region can give different results.
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“Is it like this or it looks just like this?”

A semiotic analysis of photographic aesthetics

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Abstract

The purpose of the current study is to examine how the meaning of an aesthetic experience emerges and flows to consumers through the act of consumption with non-possessive objects (i.e. the artworks). To address the purpose of the current study, we draw on McCracken’s meaning transfer model (1986) and employ a single interpretive case study of the photography exhibition “Facing Mirrors” hosted in 2012 in Greece. The case study evidence emerged from multiple resources of evidence, including in-depth on-site consumer interviews, participant and systematic observation within the museum context and archival records of the exhibition. Our case study evidence provides phenomenological insights into the process of meaning creation in a particular context and integrates into McCracken’s model the subjective and semiotic aspects of art consumption. Our findings enhance McCracken’s model by illustrating the role of the artist as the catalyst that facilitates the transfer of meaning in museum contexts. The critical role of semiotics and the adaptation of different ritualistic behaviours are also illustrated as a means of making sense of a museum experience.

Keywords: Semiotics, meaning transfer, aesthetic experiences, rituals, case study

1. INTRODUCTION

The notion of experiential consumption focuses on the subjective and symbolic meanings that consumers employ in making sense of their experiences (Holbrook & Hirschman, 1982). The meaning of consumption experiences is phenomenological in nature and their symbolic aspects invite a semiotic approach, which allows comprehension of the role of symbolism in consumers’ meaning-making activities (Umiker-Sebeok, 1992). Despite the dominance of experiences in modern consumption settings, limited research has concentrated on their symbolic, subjective and semiotic nature (Venkatesh & Meamber, 2006). Earlier studies in the area of experiential consumption suggest that consumers seek consumption experiences for their symbolic, narrative and ritual dimensions (e.g. Arnould & Price, 1993; Celsi, Rose & Leigh, 1993), without however analysing the process that consumers undergo to vest experiences with personal meanings in a given consumption context (Arnould & Price, 1993; Carù & Cova, 2005). This personal construction of meanings is highly relevant to the consumption of aesthetic experiences that embrace distinct qualities (e.g. abstractness, non utilitarianism),
which render the role of consumers critical in deciphering their salient essence in the museum context (Hirschman, 1983; Dewey, 1980).

In this context, art consumption involves the interaction between the consumer and the non-possessive artwork (Chen, 2009), and the transformation of the aesthetic stimuli into symbols that convey meanings (Umiker-Sebeok, 1992). The interaction aspect pertains to experiential consumption, whereas the transformation relates to semiotics and entails otherness, namely the subject behind the object (i.e. the artist) where the meaning resides and through it is unfolded (Mead, 1934). Viewed in this light, art consumption constitutes a unique field of consumption, which combines experiential consumption with the act of phenomenological semiosis that facilitates the transformation of symbols into personally relevant meanings through ritualistic behaviours.

Thus, the purpose of the current paper is to examine how the meaning of an aesthetic experience emerges and flows to consumers through the act of consumption with non-possessive objects. This study builds on McCracken’s meaning transfer model and concentrates on its different locations of meaning and ritualistic behaviours. The authors suggest that McCracken’s model facilitates the study of art consumption as it implicitly considers the interaction of the consumer with the artwork and transformation of art stimuli to symbols that render meanings.

2. LITERATURE REVIEW

2.1. The Movement of Meaning in McCracken’s Model and in the Art World

McCracken’s model (1986) concentrates on consumption objects and deals with the constant shift of meanings from the culturally constituted world to consumers (Mick & Buhl, 1992; Ritson & Elliott, 1999; Escalas & Bettman, 2005). According to McCracken (1986), the consumption era consists of a network of meanings that encompass signs and symbols. These signs and symbols reside in specific locations that are manifested in Figure 1 and labelled as the “culturally constituted world”, “consumer good” and “individual consumer”.

![Figure 1: McCracken’s meaning transfer model](Source: McCracken, 1986, p.72.)
Meaning resides in cultural categories (e.g. gender) and cultural principles (e.g. manliness), notably the culturally constituted world. The culturally constituted world is the phenomenal world of individuals’ everyday experience. Culture constitutes the phenomenal world and determines the mode with which individuals perceive and fashion this phenomenal world. Marketing gatekeepers (i.e. advertisers and fashion designers) disengage the key meanings from the culturally constituted world and transfer them to consumer goods. The transference of meanings residing in goods to consumers occurs through ritualistic behaviours, namely symbolic actions “devoted to the manipulation of the cultural meaning for purposes of collective and individual communication and categorization” (McCracken, 1986, p. 78). Rituals are expressive, purposive and symbolic activities that provide consumers with a sense of personal agency (Arnould, 2001). McCracken recognizes four rituals, namely the grooming, exchange, divestment and possession rituals (McCracken, 1986; Mick, 1986). Grooming rituals occur when a consumer uses specific products for personal care (e.g. cosmetics, products for hair styling). The consumer gives meaning to such products and acquires a certain feeling of transformation (Ostergaard, Fitchett, & Jantzen, 1999) to a specific kind of self that fits into a situation (e.g. a party). In exchange rituals, consumers through the act of gift giving (either to their selves or to other individuals) embody meanings into the product. Divestment rituals are the rituals that consumers use so as to remove the (past) meanings of a product and to create new ones. Possession rituals are the activities through which consumers personalize the meanings of the products and “take ownership” of them (Venkatesh & Meamber, 2006; Campbell, 2005). The interaction of the individual with the consumption object facilitates the transfer of meaning between different locations and the transformation of meaning into personalized symbols though consumption rituals. In extension to McCracken, the authors suggest that this model can be particularly useful for understanding how consumers’ interaction with art object generates the meaning of an aesthetic experience.

2.2. The Semiology of Photographic Aesthetics

The symbolic and communicative qualities of photographic aesthetics render their consumption a subjective episode that is based on the beholder’s personal background (e.g. past experiences, personal history) (cf. Eco, 1976; 1981). Consumers uncover the meanings of photography exhibitions through imagination, sensation and interpretation. Semiotics, namely “the analysis of the structure of meaning-producing events” (Mick, 1986, p. 197) correspond to the symbolic and communicative dimensions of photographic aesthetics, which guide consumers meaning trajectories of artworks (Danesi, 2007). Viewing the art of photography as a system of symbols or signs, which initiates a dialogue between the artwork and the consumer, indicates that the interpretation of photography relies on consumers’ processes of decoding the meanings of signs (Holbrook & Grayson, 1986). Photography, like other forms of aesthetic experiences, engages individuals in a process of meaning production (Mendelson, 2007). The construction of meanings occurs through interpretation of signs and engages the individual in actively “encoding”, or putting things into a code, and another person somehow “decoding” that meaning (Hall, 1997). Viewed in this light, the meaning of a photograph is semiotically framed.

Semiotics is, therefore, a system of communication, within which the sign (or the code) is the outcome of the association between the signifier and the signified (i.e. the sign communicates a signifier which links to a signified, and as a result of this linkage a symbol emerges). Barthes (1977), who has employed semiotics to the study of photography, suggests that each sign holds two meanings: the denotative and the connotative meaning. The former (denotative meaning) describes the literal actuality of a photograph (signifier) whereas the latter is symbolic, vague and relies on social and cultural references (signified). While the denotative meaning describes a state/an image, the connotative meaning proposes interpretations for this image. The transfer of the meaning from the artwork (photography) to the consumer is successful when the individual is able to link the photographer’s signs to “other familiar signs”, such as his/her ideas or experiences (Hall, 1993). Viewed in this light, semiotic cues are employed both by artists and consumers as cognitive tools to make sense of visual messages. Signs, as an inherent property of the photographic aesthetics, allow consumers to initiate interpretation of aesthetic experiences.
3. METHODOLOGY

In order to meet the purpose of the study, i.e. to examine how the meaning of an aesthetic experience (photographic aesthetics) emerges and flows to consumers through the act of consumption with non-possessive objects, the authors followed Stake’s (1995) interpretive perspective to case study research. The interpretive case study was viewed as the most suitable method in this research for mostly two reasons. First, it allowed for an understanding of the context within which subjects ascribe meaning to their own experiences (verstehen) as well as the formation of meaning of these experiences (Welch et al., 2011; Woodside, 2010). Second, interpretative case studies are well suited for enriching theory (cf. Richardt & Cook, 1979), as they accommodate the development of contextual accounts essential for understanding art experiences (Dewey, 1980). In particular, the authors employed a single interpretive case study (Dyer & Wilkins, 1991; Stake, 1995) of the photography exhibition “Facing Mirrors” hosted in 2012 in Greece. This photography exhibition was purposeful selected given that it served as a critical case both on the museum content for enhancing researchers’ understanding on the movement of meaning within a museum context, and on the acts of signification that occur in this context.

The case study evidence emerged from multiple sources of evidence, including 50 in-depth, on-site consumer interviews (we interviewed 30 expert and 20 novice visitors from diverse demographic, psychographic and cultural backgrounds), participant and systematic observation within the museum context and archival records of the exhibition. The respondents were invited to share their personal stories in the form of narratives that constituted parts of qualitative interviewing. These narratives gave voice to experience (Leavy, 2009) and offered a sequential order of events that connected visitors’ act of interpreting their museum experience with their ritualistic behaviour. Moreover, field notes and field diaries were used as reflective techniques for data collection and analysis (Van Maanen, 1988). The researchers employed intratextual and intertextual cycles of interpretation (Thompson, 1997; Gadamer, 1976) so as to connect the empirical findings to the existing theory, and narrative analysis (Elliott, 2005; Bruner, 1991) in order to flesh out the role of signs on visitors’ interpretation of the museum experience and ritualistic behaviours.

4. FINDINGS

The case study evidence indicates that the artist’s world manifested in signs and symbols (signifiers) was transferred to aesthetic objects and then to the consumers (signified). Our findings illustrated that the artists’ statements conveyed initially denotative meanings to the visitors, related to the realistic content of photographs. The denotative meanings of the photographs served as the signifiers and transferred the meaning of the museum experience, (i.e. the main theme of the exhibition) to the visitor. Consumers’ ritualistic behaviours, in turn shaped consumers’ “shades” of meaning of the museum experience. The term “shades of meaning” captures consumers’ meaning-making formations of their museum experience, as the outcome of consumers’ ritualistic behaviours. Figure 2 shows the movement of meaning within the current museum context, applying McCracken’s theory.
4.1. Locations of Meaning: The Artists’ Worlds

According to our findings, the world of the artist constituted the source of the meanings that resided in the aesthetic experience. Visitors stated that the photographs symbolized and transferred artists’ perspectives and thoughts concerning human nature and culture. The photographic lens captured meaningful events that the artists have chosen to communicate to their audiences. In other words, the meaning of the museum experience was inherent to the worlds of the artists, as suggested in the following narrative:

“I think that the artists/photographers want to share their perspectives and their views of the world, through their odd symbolic systems. I mean that artists depict the story that they want to communicate in a set of different elements and materials….for example look at these portraits. All of them hold both clear and vague signs…and for this reason we call them artists...because they can “poetically” code and decode the reality and to put us in a process of interacting with the shadowy meaning of their thoughts and (why not?) of our lives” (Georgia, 27, expert visitor)

The above quotation shows that the museum visitors acknowledged the fact that photographers use signs so as to successfully communicate their thoughts with their audience (Mendelson, 2007). They also recognized the role of signs as the mechanism for relocating the meaning from the artists’ worlds to their consumption experience.

4.2. Signs as the Instruments of Meaning Transfer: The Denotative Meaning

According to Barthes (1964), the denotative meaning is the literal meaning of a sign. This form of meaning, constituting the first order of signification, offered to visitors the relatively straightforward sense of their museum experience. According to our evidence, both expert and novice visitors relied on this meaning so as to
understand the content of their experience. Specifically, the denotative meaning revealed the intentions of the artists, namely the underlying story and reason of artistic creations (e.g. artists’ way of expressing an inner thought). Thus, meaning came to reside in the noticeable elements of photographs securing their transfer from the artists’ world to the eyes of the beholders.

4.3. Location of Meaning: The Aesthetic Experience

The consumption of visual arts (e.g. paintings and photographs) constitutes an inner kind of phenomenon (Hirschman, 1983; Addis & Holbrook, 2001), which is personally unique to each visitor (Holbrook & Hirschman, 1982). It invites visitors to “unlock” the artists’ sign systems, which compose the content of the museum experience. Our findings showed that both regular and novice visitors grafted denotative meanings to photographs so as to understand and make sense of the museum experience. Specifically, novice visitors described the content of their experience as a simple description of mainstream life, namely as a simple depiction of faces. These visitors were able to grasp the denotative but not the connotative meaning of the exhibits:

“All of these portraits depict a lot of sad and pondering human faces.” (John, 37, novice visitor)

On the contrary, expert visitors’ responses highlight their utilization of the denotative meanings of photographic aesthetics in order to delve into and interact with the artists’ worlds. These visitors discerned the deeper meanings of the signs and transformed them into symbolic meanings, namely narrations of the depicted portraits and creations of metaphorical meanings. Experts’ capabilities, such as the knowledge of art and the ability of experiencing in detail the meaning of the artworks (Parsons, 2002), enabled these visitors to unlock the connotative meanings of the exhibition and led them to personify their experience:

“In this photography exhibition the depicted faces in the portraits [Symbol] are not the real faces... Just look at this photograph (Melanie points to the exhibit on the left while narrating the meaning of her aesthetic experience to the researcher). The woman in this portrait [Signifier] has not posed to the photographer. He (the photographer) took the picture while she was looking into a mirror! For me, this shot of the artist tells a story: “How do you feel when you see yourself in the mirror? Is it you? Are you the same person as the day before?” [Signified]” (Melanie, 23, expert visitor)

Image 1: Photo from the photography exhibition “Facing Mirrors”

4.4. Rituals as Instruments of Meaning Transfer from Experience to Consumer

In the subsequent phase, visitors through ritualistic behaviour constructed associative, expressive and evaluative shades of meaning of their museum experience. Expert consumers created associative and expressive meanings through possession and exchange rituals, whereas novices through divestment rituals created evaluative meanings of their aesthetic experience. Particularly, in the case of novice visitors the lack of a compatible sign system of communication between the content of the experience and themselves, guided them through divestment rituals to reject the meaning of the consumption experience. Since these visitors could not pick out the “hidden” connotation of the experience at hand, they misappropriated the meaning of the experience and labelled it as “a never-me” experience. As a result, these visitors employed the divestment ritualistic behaviour so as to express their evaluative shade of meaning of their museum experience:

“Well...I don’t visit museums very often! However, during my visit I was looking for something that I could interact and identify with...something that regrettably I haven’t found here. So, I haven’t succeeded in understanding either the artists’ intentions or the overall experience. As a result, I would not characterize this experience as something that represents me...I can only tell you that I didn’t like it” (Anastasia, 26, novice visitor)
On the contrary, expert visitors who engaged in a possessive ritualistic behaviour stated that they were able to project a part of themselves in the consumption object and consequently to grasp its expressive meanings. For them, the museum experience constituted “a sense of being” through what they experienced (Belk, 1988):

“If I could give a title to my experience, it would be “Face Yourself”. These faces narrate the fears and anxieties of their lives...My interaction with all these people made me feel that they are just like all of us! I feel that this experience is mine now” (Victoria, 48, expert visitor)

Furthermore, some expert visitors revealed that through exchange rituals they associated the artist with the museum experience. For them the exchange rituals represented the associative meanings of their museum experience. To illustrate this, these visitors engaged in an act of deciphering the symbolic meanings of the photographic aesthetics through a “dialogue” with the artist. These visitors interpreted their experience as a journey into the artists’ world, which allowed them to consider the symbolic meanings of the photographs and gain ownership of the meaning of the museum experience:

“The huge dimensions of the portraits and the black wall of the museum put me into the atmosphere of the experience that I’m going to have. As such, this atmosphere of the museum allowed me to immerse myself into the artists’ worlds and their artworks. So, while I was staring Yasser Alwan’s photographs I caught myself speaking with the artist. He explained to me the history and the structure of each photograph. From this dialogue I captured the meaning of my experience...an experience that reminded me that a lot of people around the world are suffering either implicitly or explicitly. It is like Alwan’s statement: “Faces in mirrors are like coins ... they have two sides…” (Eleni, 29, expert visitor)

5. CONCLUSIONS

The current study sought to conceptualize the movement of meaning within a museum context and to highlight how the meaning of an experience emerges from the interaction between the consumer and the aesthetic object. This study highlights the moveable nature of meaning within a museum context and expands McCracken’s model into the realm of art consumption. Its contribution is twofold: First, the current study provides phenomenological insights into the process of meaning creation in a particular context (Dewey, 1980; Ritson & Elliott, 1999). It elaborates on the movement of meaning from the world of the artist to that of the visitor and analyzes how individuals extract and transform meanings from aesthetic stimuli. Second, it integrates semiotic aspects of art consumption into McCracken’s model, which have not been considered previously (Mick et al., 2004). While McCracken’s model does not consider explicitly the role of semiotics in the movement of meaning, its sequential structure allows for positioning the semiotic research in the overall trajectory of meaning (Mick et al., 2004).

As far as the directions for further research are concerned future research can consider the extended McCracken model in other aesthetic contexts so as to illuminate consumers’ sense-making formations within these contexts (e.g. theatrical context). Moreover, further research could investigate the structure of consumers’ ritualistic behaviours within aesthetic contexts.

References


From Elfland to Islay: Collective Fantasy and Ritual at the Islay Festival of Malt and Music

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Abstract
Consumers’ fantasies contribute to co-creation of postmodern consumption experiences (Kozinets, et. al, 2004). Fantasy, coupled with marketplace experiences, allows consumers to enact romanticized versions of reality, reifying underlying value structures and reinforcing romanticized versions of self (Belk and Costa, 1998). These processes have been studied in diverse settings including retail stores (Kozinets, et. al, 2004), online role playing communities (Kaplan and Haenlein, 2009), and trading card games (Martin, 2004). Despite the importance of context to fantasy development, prior work has focused on consumer motivations, failing to theorize about the interplay between collective consumer fantasies and consumer attachment to the context itself – common to the tourist experience. This paper examines the effects of collective fantasized ritual consumer behavior on the co-creation of the tourist experience. We present a case study of the Islay Festival of Malt and Music, an annual weeklong festival, held on the Isle of Islay, Scotland. Findings suggest at the festival, collective consumer fantasy heightens participants’ understanding of a product, Scotch whisky, and a place, Islay. The tourism experience reflects and constructs culture, affects the adoption and usage of symbols in consumption rituals, integrates cultural understandings with social norms, and contributes to cultural meanings of the tourist location.

Keywords: consumer research (130), collective fantasy (60), consumer behavior (50), ritualized consumer behavior (47), ritualized behavior (40)

1. INTRODUCTION
Consumers’ fantasies contribute to the co-creation of postmodern consumption experiences (Kozinets, et. al, 2004). Fantasy, coupled with marketplace experiences, offers consumers opportunities to enact romanticized versions of reality, reifying underlying value structures, and reinforcing romanticized versions of self (Belk and Costa, 1998). The processes through which consumers do so have been studied in a range of settings from traditional retail stores (Kozinets, et. al, 2004) to online role playing communities (Kaplan and Haenlein, 2009) and trading card games (Martin, 2004). In each case, structural, contextual features play an important role in the findings themselves. Despite the importance of context to fantasy development, prior work has largely focused on understanding psychosocial consumer motivations while failing to theorize about the interplay between collective consumer fantasies and consumer attachment to the context itself – common to the tourist experience. This paper examines the effects of collective fantasized ritual consumer behavior on the co-creation of the tourist experience. We present a case study of the Islay Festival of Malt and Music (hereafter referred to by its Gaelic name, Feis Ile), an annual weeklong festival, held on the Isle of Islay, Scotland.

2. THEORETICAL BACKGROUND
Fantasy
Fantasy is the conjuring of imagery which is improbable or highly imaginative. Fantasizing is a lifelong activity, intrinsic to the brain itself” (Tymn, Zahorski and Boyer, 1979). Beginning in infancy, humans have the capacity to pretend and construct fantasies (Fisher and Fisher, 1993). Children’s unconscious fantasies function to problem solve separation anxiety, identity formation, reality testing, and object relations (Bion 1962), addressing major enigmas faced by children (Laplance and Pontalice 1968). In adults, fantasies provide expression of romantic or sexual desires, ambitions, and needs for revenge and power (Knafo and Feiner 2006). “Fantasy is part of the articulation of what is possible; it moves us beyond what is merely actual into the realm of possibility, the not yet actualized or actualizable” (Butler 2004, p. 28). Critically, fantasies involve strategies which advance individual wishes and desires, reflecting optimism about the future (Knafo and Feiner 2006).
Freud (1911) dichotomized fantasy and reality; subsequent research suggests the two shape and inform one another in complex ways (Loewald 1978). Fantasies are rooted in endogenous, historical, and relational experiences (Knafo and Feiner 2006) and may function to extend reality. Fantasies may be experienced individually or collectively and make-believe and magic are features of all cultures (Fisher and Fisher 1993). Fantasy is a cultural trait, enlightening and facilitating transformative cultural processes (Tuan 1990).

Fantasy takes as its point of departure the violation of conventional norms of reality in order to create counter-structures (Fredericks 1978). Through worldbuilding, a fantasy world is constructed which is distinguished by contravention of the conventional norms of possibility (Rabkin 1991) and necessarily consists of two major components or systems including both the world and a story. The world includes the totality of possible fictional entities (characters, settings and objects) that occupy the fictional domain. It is through the introduction of a fantastic character (such as a ghost, witch, demon, dragon or sorcerer) that signals that the laws of the natural world have been suspended (Clute and Grant, 1997). The story combines the various entities that make up the world and establishes a systematic set of rules which governs the arrangement and interaction of those entities. Fantasy texts, then, are self-coherent narratives (Clute and Grant 1997, p. 338) which allow for the exchange of the mundane for the adventurous. They are often marked by seemingly endless quests, the presence of incredible obstacles, and antagonists that force good to face evil (Donelson and Nilsen, 1997). Fantasy’s laws are internally consistent, rigorous, and ethical. The result is purposeful and joyful play (Schlobin, 1979), likening fantasy, in some respects, to ritualized modes of behavior.

For fantasy to result in collective ritualized behavior, it itself must be collective – that is, shared fantasy. Piaget (1962) and Vygotsky (1978) define the process of establishing a common frame of reference as intersubjectivity or joint understanding established between social actors as they collaboratively negotiate ideas and rules to guide their social activity. Van Velzen (1995) investigates the relationship between fantasies and social organizations, suggesting the concept of collective fantasies highlights important dimensions such as space, stratification, contradiction, and exaggeration. He suggests how collective fantasies may underlie ritualized social behaviors, identifying collective fantasies may as “gateways to a society’s jouissance . . . that lies behind religious or other public discourse and speculation” (p. 730).

Ritual

Contemporary conceptualizations of ritual derive from Durkheim’s (1915) treatment. For Durkheim, religious behavior is inherently social behavior. Religious processes comprise beliefs and rites. Beliefs are states of opinion; rites are modes of action, which may be classified as either sacred or profane. Profane are those elements associated with everyday existence, whereas sacred are those things which are special, protected, perhaps prohibited or inaccessible – invested with extraordinary properties. It is man who imbues otherwise profane objects with sacred meanings and conscripts these for ritual purposes. For Durkheim, rituals are rules of conduct which prescribe behavior in the presence of sacred objects. Over time, ritualized patterns of behavior emerge through which individuals express their relationship to those objects or values viewed as sacred or special.

Rook’s (1985) seminal work on rituals in consumer behavior provides the basis for how rituals are understood and examined in the field of marketing. Ritualized behaviors have been examined in a variety of diverse consumer contexts, including personal grooming rituals (Rook 1985; Rook and Levy 1983) and attire (Solomon and Anand 1985), subcultures of consumption such as among Star Trek fans (Kozinets 2001) and Harley Davidson aficionados (Schouten and McAlexander 1995), gift giving (Belk 1979), and contemporary holiday celebrations (Wallendorf and Arnould 1991), among others.

The term ritual is used to refer to a specific type of expressive, symbolic activity that occurs in a fixed, episodic sequence that is repeated over time. Rituals are dramatically scripted, and performed with formality, earnestness, and inner intensity. Ritual experiences are generally considered to rely on four identifiable components including ritual artifacts, a ritual script, ritual performance roles, and a ritual audience. Ritual artifacts communicate symbolic messages that are integral to the overall ritualized experience and are imbued with meaning for participants. In highly ceremonials settings, these may include garments and implements, such as chalices and candelabras. In consumer contexts, ritual artifacts include consumer products (Douglas and Isherwood 1979) and may encompass food and drink (Rook 1985). Ritual scripts identify the artifacts that are important to the overall experience and the manner and sequence of their use. They also specify by whom these artifacts are used. A ritual script, then, is performed by social actors who occupy various ritual roles. The audience for whom this is performed may be immediate (such as the family that engages in a mealtime ritual) or a larger polity (such as a community that turns out for a St. Patrick’s Day parade).
The outcomes of ritual may be broadly considered to include belongingness – a construct comprising attraction, identification, and cohesion – and belief – comprising certainty, credulity, and confidence (Marshall 2002). From a marketing perspective, discursive acts and ritual practices are viewed as contributing to the social construction of consumer culture (Kozinets 2002). These include the development of social practices and cultural meanings and the creation and solidification of both real and imagined consumer relationships.

The marketing literature that investigates ritualized consumer behavior leaves largely unexplored the sites of ritualized behavior. Other related literature, however, suggests that consumer sites such as shopping malls, retail shops, and restaurants may act as “cathedrals of consumption” (Ritzer 2001). Moreover, related literature, such as the dramaturgical perspective introduced by Goffman, identifies sites of behaviors as important elements. Dramaturgy, for example, identifies behaviors that are unique to “front” and “back” stages.

A broad and diverse literature outside marketing and consumer behavior examines regional ritual behavior. Scholars consider, for example, regionally enacted social events including funerals (Chau 2004), festivals (Cheu 1996), ancestral celebrations (Ebrey 2004), and commercial practices (DeBernardi 2004). The focus of most marketing studies that consider ritualized consumer behavior is an individual brand (e.g., Harley Davidson) rather than ritualized consumer behavior that may be associated with entire product categories (e.g., motorcycles) or places of origin or consumption (e.g., Sturgis, site of an annual American motorcycle rally). As a result, we lack an understanding of how ritualized behavior in consumer contexts may operate to effect place brands, unify communities of place, and/or support regional economic endeavors.

3. METHOD

This study began with observation of a very active Internet community which surrounds the festival. Consistent with Kozinets (2002), we downloaded and analyzed articles, news accounts, web logs, and photographs of the Feis Ile and its participants, and the Islay community and its distilleries. This two year induction phase was followed by seven days of participant observation at the festival itself. The ethnographic phase included field interviews and interactions with consumers, distillery employees, and members of the Islay and Jura communities, collection of extensive field notes and more than 900 photographs and a dozen video accounts of events. We visited each of the distillery opening days, toured distilleries, participated in on-site activities (ranging from sampling whisky-doused oysters and beef to purchasing chances to win whisky-related products from local charities), and attended evening ceilidhs and choral music events and the concluding parade. We also joined others in whisky “nosings,” dined in local pubs and restaurants, shopped, hiked, and shared public transportation. Data collected in both phases, in the form of Internet downloads of written and visual materials, photographs, video, and fieldnotes, and transcriptions of interviews were coded and transcribed in a manner consistent with Glaser and Strauss (1967). Earlier versions of this paper were presented to scholars of festivals and Scottish whisky, and comments and feedback contribute to the current analysis.

4. FINDINGS

The Feis Ile is a collective consumer fantasy that heightens participants’ understanding of a specific product category, Scotch whisky, and a place, Islay, and reifies a circumscribed set of values and beliefs, through ritualized behaviors and discourse. The festival, itself influenced by both an influx of external consumers and its own social structures, in turn produces a set of outcomes. Ritual performance at the Feis Ile reflects identifiable characteristics of other ritualistic performances including artifacts, performance roles, and important discursive features. In addition, ritualized behaviors are enacted in specific structures and sites conducive to this activity. The interaction between the enactment of ritual behaviors and the settings in which these are performed results in a milieu which is richly imbued with historical, social and cultural features, as well as those which are imaginary and fantastic. Rook (1985) suggests that ritual artifacts may take various forms, including consumer goods that may be consumed in the ritual setting as well as symbols that may serve more generalized purposes of communication. In this study, ritual artifacts may be viewed as those instrumental to the performance of ritual behavior and those which appear as symbolic images or tools.

The data provide clear ideas about the social actors who organize, participate in, and otherwise support the Feis Ile. These include (1) experts on social and cultural aspects of the festival. Social experts include pipers, dancers, tour guides, publicans, hotel owners, and locals. Cultural experts include distillery tour guides, lecturers, and artistic performers (bagpipers, traditional Scottish dancers, other musicians). Some of these individuals have clearly assigned roles. Others have legitimacy due to their expertise and claims of expertise. For example, the self-proclaimed “Malt Maniacs” maintain extensive materials on the web and annually attend the Feis Ile, but do not have formalized roles in the event. Still others, such as Harley Davidson and Land Rover and unique individuals in kilts provide fantastic imagery. (2) Community leaders – officials and business owners – act as “hosts” in a conventional, social sense. Again, some of these individuals have formalized roles and others
are more vaguely scripted. (3) Festival organizers provide structure and orchestrate the flow of leaders and hotel operators. Some individuals (e.g., publicans) may play multiple roles; other roles are played by the “audience.”

It is important to examine the communication and social interactions that occur among actors. It is, thus, as important to the festival ritual to have “novices” in the audience as it is important to have experts for it is specifically through these knowledge transfers and social interactions that the negotiation and refinement of social and cultural material occurs. The audience includes varied actors. Many are intimately acquainted with the festival, including the tourists who swell the tiny island each year as well as the significant number of website contributors (bloggers, etc.) who describe prior experiences or discuss their desire (but inability) to attend. As in other consumption contexts, there exist an external “imagined” audience of Scotch enthusiasts.

The scripts used for this ritualized festival include those that relate to organization of the festival itself and subscripts which relate to normative cultural understandings and practices that guide many aspects of social life, including Scottish dance and Scottish traditions and the appropriate consumption of Scottish whisky. This festival adheres annually to a standardized script. It opens with a series of celebrations which are, variously social, cultural, and commercial. These include a disco, a market, and an opening concert. The body of the festival is defined by a series of “opening day” events at individual distilleries. Knowledgeable participants will have purchased tickets well in advance; less knowledgeable participants will find fewer opportunities to participate. Interspersed throughout the week are additional social and cultural events that are designed to be inclusive. These include lectures and nosings (cultural) and sporting competitions, hikes, and activities oriented towards children (social). The festival concludes with two final celebratory events – a “final fling” dance on the last evening of the week and a Gaelic choral performance on the following morning. Festival events are consistent with whisky festivals globally, but include local content and emphasis. Distillery tourshave an identifiable structure, guided by a knowledgeable expert with local ties, incorporating an emphasis on the simplicity of the production process, and offering participants the opportunity to touch and smell the grains used in whisky production. These distillery visits are concluded with the ceremonial “nosing” and tasting of whisky. That consumers recognize and understand this script (as well as violations of it) is evident across the data.

5. DISCUSSION AND IMPLICATIONS
Scholars of consumer behavior (cf, Sherry 1990) argue that consumers increasingly seek to engage in consumption rituals, both in daily life (e.g., by adding a splash of water to whisky) and through participation in larger events (such as whisky festivals and ceidlihs). There is evidence of this on Islay. Moreover, whisky consumption reflects a regional way of life that is evident in and outside of the marketplace in the activities, language, foods, music, and dress of a group of people, and in their relations with others (Costa and Bamossy 1995). Hence, the cultural—and ultimately economic—values of Scottish whisky are created, in part, through the activities in which marketplace actors engage—at distilleries, at festivals, in public and in private, on-line and interpersonally, juxtaposing history, media representations, and locally-relevant material.

By fostering expressions of collective fantasy, the tourism experience reflects and constructs culture, affects the adoption and usage of symbols in consumption rituals, integrates cultural understandings with social norms, and contributes to the processes through which the tourist location itself assumes cultural meanings. Tourism marketers may utilize devices such as worldbuilding, consistent with fantasy theory, to heighten consumer experiences, causing tourists to recollect past meanings, assemble present meanings, and negotiate future meanings of local products, community, and history. Datasuggestrural communities may, through fantastic ritualized consumption experiences, convert local cultural goods into a clearly articulated place brand (Askegaard and Kjeldgaard 2007) and contribute to, counter, and assimilate global ideologies and practices.

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Taking care of man’s best friend: A model of service quality in the domestic animal health sector

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Abstract: Animal companions are a common feature of 21st Century lifestyles, almost half of our homes include animal residents. Our passion with pets leads to a parallel demand for a range of professional animal healthcare services. These services have expanded considerably from core veterinary provision, to encompass a host of paraprofessional specialisms, bringing complexity and uncertainty to client choice. Whilst many services have been the focus of service quality research, this is not one of them, and it is an especially interesting sector as the client/consumer roles are by their nature always separated. This paper aims to understand the market structure and service quality dimensions for animal healthcare services. We present a conceptualisation of the interactions between client and the animal healthcare sector based on an analysis of the supply of services.

Interviews with service providers and clients and subsequent NVivo analysis of the data provide the basis for the development of a framework of nine service quality dimensions in this market: trustworthiness; communication; value for money; empathy; bespoke; integrated care; tangibles; accessibility and outcome driven service. The findings provide the basis for the development and management of service quality management in animal healthcare services.

Keywords: professional animal-health services, quality management, service quality

INTRODUCTION
Almost half of our homes include animal residents, leading to a large demand for animal healthcare. This paper proposes a construct of service dimensionality pertinent to animal health providers, especially veterinary services. This service sector is interesting and challenging because various specialisms are developing and there are tensions between professional groups. Whilst technical veterinary care is often exemplary a lack of client focus has meant that service quality is not always of a similar high standard. While human healthcare services have been the focus of considerable research, the veterinary sector has been largely ignored. This paper explores sector tensions associated with the provision of holistic animal care services and proposes a sector specific interpretation of service quality based on client-focused needs.

MULTI-DISCIPLINARY SERVICE TEAMS
The delivery of animal health services is edging towards Multi-Disciplinary Team (MDT) provision and a model similar to human healthcare. In human care, MDTs comprise professions such as physiotherapists, nutritionists and dentists that complement the established core teams of doctors, consultants and surgeons. These professionals have an autonomous role in the assessment and treatment of human patients (Health and Care
professionals council, 2013; general chiropractic council, 2013). This autonomy of practice helps patients to make informed choices and facilitates MDTs. Likewise, the animal health sector also has a wide range of practitioners working alongside veterinarians such as physiotherapists, nutritionists and veterinary nurses with differing expertise; these are referred to collectively as paraprofessionals. Despite undertaking professional training, paraprofessionals do not have autonomous roles (Veterinary Development Council, 2012) analogous to their human professional counterparts. Under the veterinary surgeons act 1966 only veterinary surgeons can carry out acts of veterinary surgery (Royal College of Veterinary Surgeons, 2015) which places restrictions on the scope of practice for paraprofessionals. Some exemptions for paraprofessionals do exist, but this is inconsistent (Veterinary Development Council, 2012) and consequently the majority of animal health services in the UK can only be provided by the Veterinarian (Royal College of Veterinary Surgeons, 2015). These factors contribute to a confusing environment for the animal owner and make the evaluation of service quality within the sector difficult.

Team-working and multidisciplinary care within human health has been in use for decades and the benefits of a holistic approach to patient care are both well recognised and well documented (Atwal and Caldwell, 2005). Key advantages of the MDT approach have been identified within service provision to human patients and overall it has been shown to enable a more responsive and client-focused service (Atwal and Caldwell, 2005) as well as engendering continuity of care (Carter et al., 2003). Some progressive veterinary organisations with established MDTs buck the trend and appreciate the benefits gained (Sharp, 2008; Reader, 2012) echoing the advantages seen in parallel human medicine (Carter et al., 2003).

**Service quality in the animal health sector**

Retention of clients and the attraction of new clients within any organisation providing service are driven by client experience and service quality (Walter et al., 2010). The modern client is increasingly discerning, open to testing a range of goods and services and more flexible in the decision making process. For success, the service provider needs to be able to appreciate the uniqueness of the client and client-influencing factors when selecting a service (Walter et al., 2010; Wisniewski, 2001). Service quality (SQ) may be defined in different ways but in essence SQ is the extent to which the service provider meets or exceeds the clients’ expectations (Wisniewski, 2001, Parasuraman et al, 1993).

SERVQUAL is an instrument that has been used to measure and manage service quality (Buttle, 1996) through increased awareness of client perceptions (Walter et al., 2010; Parasuraman et al, 1988). As a model of service quality SERVQUAL makes comparisons between the perception of service received and a standard that measures consumer expectations. Therefore, SERVQUAL defines the key to delivery of high quality service to be achievement of balance between client expectation and perception and, where there is a gap between the two, to provide the necessary information to enable closure of this gap (Zeithaml et al, 1990; Parasuraman et al, 1988). SERVQUAL has been widely used in a multitude of different service sectors (Wisniewski, 2001), such as retailing (Carman 1990), financial services (Abdullah et al, 2011) and Telecoms (Ahmed et al, 2011) but to date the animal health sector has not been subject to detailed analysis.

Aside from direct advertising or publicity, veterinary services have generally given limited attention to service quality (Lee, 2006) which may be considered to be a sector issue. Models of SQ such as SERVQUAL have not been applied to the UK animal health sector. Failure to adopt fully integrated marketing programmes including focussed attention to client service provision may ultimately result in an incoherent strategy, which at best fails to add value and at worst is deleterious to service quality and business success. Veterinary services’ marketing has previously been considered utilising the Marketing Mix approach, though it has failed to address and
incorporate SQ. Conversely, human medicine marketing takes measures of consumer satisfaction to be of paramount importance ensuring that practice meets client needs (Newsome and Wright, 1999). Investigation into the relationship between human and animal, a phenomena known as the human-animal bond (HAB) demonstrates the human health and emotional benefits associated within animal ownership (Friedman and Son, 2009). Work completed in the US indicates a link between the strength of HAB and level of veterinary care provided for the animal suggesting an important correlation between HAB and primary care veterinary practice (Timmins, 2008).

Following the publication of the pioneering veterinary industry analysis report, the Lowe Report (2009), the Veterinary Development Council (VDC) engaged in an exploration of the current UK veterinary sector and its limitations (Veterinary Development Council, 2012). Resultant barriers pertinent to this study were identified as a wide range of veterinary and paraprofessionals currently failing to utilise a cohesive, holistic and mutually beneficial strategy for working and there is a failure to adopt a client-centred strategy underpinned by quality service provision. This is recognised by clients and reflected in levels of client satisfaction (Lee, 2006; Loomans et al. 2008; Lowe, 2009; Lowe 2010; Veterinary Development Council, 2012). Responding to the VDC Report, the Department for Environment Food and Rural Affairs (DEFRA) subsequently embarked on a wider review of animal health provision entitled the Review of Minor Procedures Regime project (RMPR) (DEFRA, 2012; Veterinary Development Council, 2012). Despite DEFRA’s acknowledgement of the importance of the client and respective service quality within the provision of animal health the inclusion of any customer related discussion is a notable omission within the terms of reference (DEFRA, 2012).

Whilst there is detailed information available on supply capacity in the veterinary sector, including data on numbers of professionals and trends in training, there is sparse detail regarding client demand in the sector. Information on client numbers, location and level of demand for veterinary services has been found to be deficient and symptomatic of the wider problem of lack of customer focus (Lowe, 2009). The veterinary industry evidently recognises the importance of service quality to the client, but to date has failed to make serious progress, often responding with a reactive attitude rather than adopting a proactive stance. As a consequence, the aim of this paper is to understand the way in which service quality is constructed in the companion animal health sector. Specifically the objectives are:

1. to map the structure of the companion animal health sector with a view to identifying the service quality stakeholders;

2. to develop a construct of service quality dimensions in companion animal health services.
METHOD

The research comprised two phases. Phase one was a sector analysis that led to the establishment of the research agenda through mapping of stakeholders and policy. This phase resulted in a clear picture of the industry structure and the legislative environment influencing the sector which then informed the design of Phase two and the subsequent development of an appropriate research instrument.

Phase two comprised semi-structured interviews with service suppliers including Veterinarians, paraprofessionals and service clients (n=13). The interview phase adopted a constructive grounded theory approach, combined with a critical incident technique to understand service management in the animal health sector from the perspective of the three stakeholder groups (Veterinarians, paraprofessionals and clients). The use of iterative logic with a constant comparative and emergent approach typified by grounded theory provided the framework for qualitative inquiry (Lingard et al 2008). Thus the principles of grounded theory provided a means to take the qualitative inquiry beyond a descriptive investigation to a meaningful development of theory. This approach has not been widely applied to research in this sector, though it has been used extensively within the realms of human medicine, particularly nursing (Ononeze et al 2009; Lingard et al 2008; Marshall-Egan, 2002; Higginbottom et al, 2014). Recognition of the value of the technique within a comparable subject area supports the use of grounded theory as a technique for the investigation of service quality within animal health care. It is also essential to present emerging theories in a form which veterinary and paraprofessional practitioners are able to understand and identify with (Ononeze et al 2009) as otherwise the development of the conceptual framework for service provision will be meaningless.

Interview transcripts were analysed using the Qualitative Data Analysis (QDA) software package QRS NVivo. This facilitated information sorting according to themes, categories or content. The code or node as termed in NVivo is an abstract representation of the phenomenon or the identification of a theme within the data set (Corbin and Strauss 2008). Data was initially open-coded whereby categories, properties and dimensions were identified within the interview data. As the emergent theory became evident, “axial” coding enabled further investigation into conditions, strategies and consequences within the data (Marshall-Egan, 2002) and the development of proposed dimensions of service quality within the animal health sector established.

RESULTS

Sector structure

The sector mapping exercise led to the creation of an extensive database and a diagrammatical representation of the sector (Figure 1). The complexity of interaction between groups of animal health professionals became fully evident and combined with the identification of legal inconsistencies this analysis suggests a confusing market environment for the animal health client.
**Figure 1:** Main interactions between animal health professionals and clients: the companion animal sector

Source: Author’s own, 2014

**Table 1:** The interview data resulted in the identification of nine dimensions of service quality

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Trustworthiness</td>
<td>Integrity (honesty and morality) and competence (training, skills and technical ability) of practitioner</td>
</tr>
<tr>
<td>Communication</td>
<td>Preparedness to communicate openly with client, respectfulness, rapport and professional interactivity</td>
</tr>
<tr>
<td>Value for money</td>
<td>Willingness to provide comprehensive service within a justifiable pricing strategy</td>
</tr>
<tr>
<td>Empathy</td>
<td>Caring and compassionate service with due regard for clients’ needs and animal health and welfare</td>
</tr>
<tr>
<td>Bespoke</td>
<td>Custom tailored service providing detailed individualised attention</td>
</tr>
</tbody>
</table>
Integrated care | Ability and readiness to work with other healthcare professionals in an open-minded manner
---|---
Tangibles | Physical resources, facilities, equipment and appearance of professionals
Accessibility | Geographical proximity of resources and service; accessibility of professionals and ease of contact
Outcome driven service | Dependable and accurate service which is a results focussed provision

Source: Author’s own, 2015

DISCUSSION

The results have some resonance with the dimensions proposed in SERVQUAL, though these were specifically contextualised and further distinct dimensions emerged. Communication, for example, emerged with forceful emphasis – clients wanted respectful and open communication between practitioners and clients. Outcomes were another dimension that arose clearly and this is another dimension that is not included in SERVQUAL. There was discrepancy between client expectations/experience perceptions and those of practitioners. This gap is an important finding that impacts on perceptions of service quality. Client perceptions of the animal health sector organisation and structure were also found to interconnect with the initial sector mapping.

Developing themes on the role and training of different paraprofessionals were repeatedly identified. Clients were unclear of training and legal requirements for animal health service providers, they did not understand the professional and legal status of paraprofessionals, and were unclear on when veterinary referral was and was not required. Additionally clients had limited comprehension of the roles which paraprofessional practitioners could undertake, typically they were not aware of the procedures such as vaccinations that can be undertaken by veterinary nurses, and were surprised at the range of skills offered by this professional group.

CONCLUSION

There is no requirement to register domestic animals in the UK and so it is difficult to assess the true demand for companion animal care. However, it has been estimated that 45% of households have pets (Pet Food Manufactures Association, 2013). In addition to household pets, recent research suggests that there are approximately 900,000-1 million horses and ponies in the UK (British Equestrian Trade Association, 2011). If the importance of the food producing animals to the consumer is also taken into consideration, the significance of animals to the UK population is not to be underestimated. Future work should address the food producing groups of animal and the UK equine population as these have not been investigated within this study. With this substantial animal population, comes a parallel need for animal health services. Veterinarians and veterinary practice are facing challenging financial times with increasing pressures on the scope of their practice, specialisation and technological advances, and rapidly changing business models. These pressures are compounded by a more service-aware client than the profession has previously experienced. The need for an effective and practical model of animal health provision which is cohesive, informed and client focussed is greater than ever. This research contributes to the effective delivery of animal health services, proposing an
approach to managing service delivery that will facilitate a client-focused and thus competitive approach to delivering animal health services.

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Scenario Changing With the Changing Times: A Case Study on Amazon & Flipkart and Its Competitive Strategy

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Abstract

A decade ago people might have rolled their eyes at the idea of buying things online. But in ten short years India would become home to one of the most luxuriant e-commerce markets in the world. The Indian e-commerce market was worth 75,000 crore, in 2013, according to a joint report by KPMG and Internet and Mobile Association of India. India has the prospective to double its economic contribution via Internet, from 1.6 percent GDP at present to 2.8 and 3.3 percent by 2015 [mckensy’2012]. The extent of the present study is to analyze the current status of e-commerce company Flipkart.com and Amazon in Indian market. This case study has been analyzed to understand as to how Flipkart and amazon are competing with each other. There are various steps involved in the research methodology, such as problem identification and comparative analysis. The current study is an outcome of study on different research questions. Conventional secondary sources include newspapers, websites, and journals are used. While comparison between bothFlipkart and Amazon, it is observed that Flipkart maintains more number of stock keeping units (SKU) as compared to amazon. Unlike Amazon, Flipkart has not got encouraging valuation by the stock market despite of losses. A novel view on the current application of ICT is developed, and new innovative goals are shown to be achievable, by novel approaches, or by traditional approaches applied in an innovative way. Both Flipkart and Amazon have established a strong base in India and a strong competition can be seen between them in coming years.

Key words: Flipkart, E-commerce, Globalization, Economic Development, Amazon.com.

1. INTRODUCTION

Forrester Research Online Retail Forecast, 2013 To 2018 (Asia Pacific) reveals 3 varied phases of e-commerce;

1.1 Nascent: In the nascent stage, online buyers form a very small share of the total online population, India is one example. Although the retail prospect is enormous in India.

1.2 Ascending: In the ascending stage, online buyer penetration increases much faster. If it takes 10 years for online buyer penetration to increase from 5% to 25% of the total online population in the nascent stage, it can grow from 25% to 50% in half that time during the ascending stage — driving faster growth in online retail spending. China is in the ascending stage.

1.3 Mature: e-commerce in Japan, Australia, and South Korea is now (relatively) mature. India has incredible intensification in terms of internet users and with customers getting familiar to e-commerce, the prospect of e-commerce sector is definitely blushing. (Table 1)
### Table no. (1) Internet Usage and Population Statistics

<table>
<thead>
<tr>
<th>Year</th>
<th>Users*</th>
<th>Growth</th>
<th>New Users</th>
<th>Country</th>
<th>Population</th>
<th>Population Change</th>
<th>% of Pop. Penetration</th>
<th>% of World Population</th>
<th>% of World Internet Users</th>
<th>Country's Share of World Population</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>243,198,922</td>
<td>14%</td>
<td>29,859,598</td>
<td>1,267,401,804</td>
<td>1.22%</td>
<td>19.19%</td>
<td>17.50%</td>
<td>8.33%</td>
<td>3</td>
<td></td>
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<tr>
<td>2013</td>
<td>213,339,324</td>
<td>37%</td>
<td>57,763,380</td>
<td>1,252,139,500</td>
<td>1.25%</td>
<td>17.04%</td>
<td>17.48%</td>
<td>7.87%</td>
<td>3</td>
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<tr>
<td>2012</td>
<td>155,575,941</td>
<td>27%</td>
<td>32,605,503</td>
<td>1,236,686,703</td>
<td>1.27%</td>
<td>12.58%</td>
<td>17.47%</td>
<td>6.18%</td>
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<td></td>
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</tr>
<tr>
<td>2011</td>
<td>122,970,441</td>
<td>36%</td>
<td>32,548,593</td>
<td>1,211,156,306</td>
<td>1.29%</td>
<td>1.27%</td>
<td>17.45%</td>
<td>5.39%</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>90,421,849</td>
<td>36%</td>
<td>29,486,779</td>
<td>1,195,624,609</td>
<td>1.30%</td>
<td>1.32%</td>
<td>17.43%</td>
<td>4.42%</td>
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<tr>
<td>2009</td>
<td>60,935,069</td>
<td>18%</td>
<td>9,484,990</td>
<td>1,179,138,702</td>
<td>1.32%</td>
<td>5.12%</td>
<td>17.41%</td>
<td>3.45%</td>
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<tr>
<td>2008</td>
<td>51,450,210</td>
<td>12%</td>
<td>5,665,948</td>
<td>1,162,662,309</td>
<td>1.34%</td>
<td>4.38%</td>
<td>17.39%</td>
<td>3.27%</td>
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<td>2007</td>
<td>45,784,262</td>
<td>43%</td>
<td>13,709,281</td>
<td>1,149,095,200</td>
<td>1.38%</td>
<td>3.95%</td>
<td>17.37%</td>
<td>3.33%</td>
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<tr>
<td>2006</td>
<td>32,074,981</td>
<td>19%</td>
<td>5,157,948</td>
<td>1,123,289,300</td>
<td>1.43%</td>
<td>2.81%</td>
<td>17.34%</td>
<td>2.76%</td>
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<td>2005</td>
<td>26,917,033</td>
<td>23%</td>
<td>4,969,545</td>
<td>1,107,143,500</td>
<td>1.49%</td>
<td>2.39%</td>
<td>17.30%</td>
<td>2.62%</td>
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<td></td>
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<tr>
<td>2004</td>
<td>21,947,488</td>
<td>19%</td>
<td>3,500,884</td>
<td>1,091,626,100</td>
<td>1.54%</td>
<td>1.98%</td>
<td>17.26%</td>
<td>2.41%</td>
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<td></td>
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<tr>
<td>2003</td>
<td>18,446,604</td>
<td>11%</td>
<td>1,888,210</td>
<td>1,076,786,700</td>
<td>1.59%</td>
<td>1.69%</td>
<td>17.20%</td>
<td>2.37%</td>
<td>9</td>
<td></td>
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<tr>
<td>2002</td>
<td>16,558,394</td>
<td>13%</td>
<td>9,564,138</td>
<td>1,062,705,700</td>
<td>1.62%</td>
<td>1.54%</td>
<td>17.14%</td>
<td>2.50%</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>6,994,257</td>
<td>27%</td>
<td>1,495,988</td>
<td>1,059,500,800</td>
<td>1.65%</td>
<td>0.66%</td>
<td>17.08%</td>
<td>1.40%</td>
<td>12</td>
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<td></td>
</tr>
</tbody>
</table>

**Internet User = individual who can access the Internet at home, via any device type and connection.**

Source: [www.InternetLiveStats.com](http://www.InternetLiveStats.com)

Elaboration of data by Internet & Mobile Association of India (IAMAI), International Telecommunication Union (ITU), World Bank, and United Nations Population Division.

Abhijit Mitra. (2013), “E-Commerce in India-A Review”, International Journal of Marketing, Financial Services & Management Research concluded that The E-Commerce has broken the geographical limitations and it is a revolution-commerce will improve tremendously in next five years in India. Dr.S. Hariharputhiran (2012) states that security and privacy always remains the main concern issue for customerwhile internet shopping. While Rashad & et al in their research states security will not be an issue as software companies. Lee & Lin, 2014, have used data from a survey of 297 online consumers to test the research model and results showed that the dimensions of web site design, reliability, responsiveness, and trust affect overall service quality and customer satisfaction. Na Wang, Dongchang Liu, Jun Cheng (2008), found that some customers find online shopping as a supplement to traditional shopping. They say that it saves them from travelling in traffic, waiting at every signal and wander from one shop to another.

2. LITERATURE REVIEW

the earth’s biggest book store”, Center for Advanced Spatial Analysis concluded that Amazon.com has been one of the most promising E-commerce companies and has grown rapidly by providing quality service. Lee & Lin, 2014, have used data from a survey of 297 online consumers to test the research model examined the relationship among e-service quality dimensions and overall service quality, customer satisfaction and purchase intentions. The analytical results showed that the dimensions of web site design, reliability, responsiveness, and trust affect overall service quality and customer satisfaction. Moreover, the latter in turn are significantly related to customer purchase intentions. The personalization dimension was not found significantly related to the overall service quality and customer satisfaction. Na Wang, Dongchang Liu, Jun Cheng (2008), there are number of factors that are responsible for shopping from online websites. They found that some customers find online shopping as a supplement to traditional shopping. They say that it saves them from travelling in traffic, waiting at every signal and wander from one shop to another. They also say that they have the flexibility to shop online whenever and wherever they want and they do not have to take out time from their working hours and go for shopping.

3. RESEARCH METHODOLOGY

The current study is an outcome of study on different research questions. This case study has been analyzed to understand how flipkart and amazon are competing with each other. Conventional secondary sources include newspapers, websites, and journals are used.

3.1 Research Questions

- *There are millions of websites and not many have achieved even a fraction of attention that Flipkart has. What is it that makes Flipkart standout?*

- *Will Flipkart can create Amazon’s magic in India?*

- *As Flipkart is one of major leading Indian Player in e-commerce market. Will its share can be affected by global player Amazon.*

- *Who is capturing market share in India?*

Exhibit 1: There are millions of websites and not many have attained even a fraction of attention that Flipkart has. What is it that makes Flipkart standout?

A strong back-end is an essential pre-requisite for any online business to survive in a competitive market, as a customer is done with a transaction, the real delivery of consumer satisfaction begins, that involves the after sales services. An imperative point is that the **option of cash on delivery** and **card on delivery**. This way people demonstrated more confidence in buying products. An interesting fact, today Flipkart sells 20 products/min and has a massive customer base. Flipkart also provides a **30 day replacement guarantee** on its products and EMI options to its customers for making payments. Flipkart very expertly used SEO (Search Engine Optimization) and Google Ad-words as the marketing tools. Flipkart.com official facebook page has close to 4,436,212 likes.

Exhibit 2: As Flipkart is one of major leading Indian Player in e-commerce market. Will its share can be affected by global player Amazon?

The war between e-commerce companies in India is in peak, Flipkart is facing strong competition from Amazon India, ebay, Junglee.com, Snapdeal.. Among the above companies Amazon.com is the strongest challenger of Flipkart. In recent times Flipkart has won cost-effective battle against Amazon.com by purchasing one of its rival’s myntra.com. Flipkart has acquired online fashion retailer Myntra.com in approx. Rs. 2,000 crore. Following are data comparison between Amazon.com and Flipkart.com during 21-Oct-2014 to 18-Nov-2014.

**Stock Keeping Units:** When the Stock Keeping Units (SKU) of both Flipkart and Amazon compared
for four popular electronic products mobile, laptop, tablet, camera. Flipkart holds total 1706 SKU under the above four category while Amazon holds only 1535 SKU for the same products. Flipkart has 4172 offers for the 1706 SKU while Amazon has 2244 offers for the 1535 SKU.

**Figure 1: Stock keeping Units of Flipkart Vs. Amazon**


**Online Product Categories and Sub-Categories:** Presently Amazon.com offers 16 main categories of products online while these 16 main categories can be further divided into 186 sub-categories. On the other hand flipkart.com offers 86 main categories of offerings which are expanded into a huge 422 subcategories much more than amazon.com providing a wide range of products.

**Exhibit 3: Flipkart not Create Amazon’s Magic in India?**

The geographical difference where people bearing their own set of priorities. Like Amazon, Flipkart started with a model to sell digital books online in India. In no time, the company understood that internet users in India are not very fascinated with reading books. Consequently, Flipkart turned towards setting up the largest e-store in India for physical products. In the process of building the ‘Amazon of India’, Flipkart, unfortunately, failed to understand that digital products inherit one-time production cost unlike physical products that invite an invest-as-you-manufacture process. And this is causing Flipkart to dig a well every time it wants to drink water.

**Exhibit 4: Who is capturing market share in India?**

Comparing Flipkart and Amazon, both the companies had taking place with their own warehouse. But, today, both follow the frequent similar marketplace model. However, Flipkart and Amazon India are known to be sharing a distinction which is again about Books. While Flipkart enjoys putting its warehouses into good use when it comes to stocking books, Amazon likes to carry on functioning in the trend it enjoys that is with the marketplace model.

**Battle between Amazon and Flipkart:**

- Flipkart: Sales $4 Billion in 2015
- Amazon: Sales reached to figure of $1 Billion in 2014 [Oct-Dec] and expects to get 30 per cent market share
- Flipkart: Sellers Expects to enlarge seller base to 50 K in 12 months
- Amazon: It has developed merchant base to 8500.
- Flipkart: 6 warehouses, & it will increase this to 50 in the next three years
- Amazon: It will enlarge its warehouses count to 10 in the 2015 from 07.
- Flipkart: The focal point is now on Fashion and Lifestyle Business Base Model
- Amazon: The centre of attention is on Electronics and Books
- Flipkart: Exclusive Partnership It had Sold 1 Million Motorola products in 5 months. It is now selling Xiaomi Phones
- Amazon: It has Launched a sales of a Samsung phone and Swipe’s Slice tables in Nov,2014

**4. CONCLUSION**

While comparison between both Flipkart and Amazon, it is observed that Flipkart maintains more number of stock keeping units (SKU) as compared to amazon considering the four popular electronic products. With the
entry of Amazon in the Indian market, Flipkart needs to renovate its business in order to sustain its present market share. Another important aspect that differentiates Amazon from Flipkart is the ability to build its own product and market that well to a stage of threat to competitors. With the entry of Amazon in the Indian market, Flipkart needs to refurbish & enlarge its business in order to sustain its present market share. Flipkart’s plans for the future mainly include scaling up the size of its business. Around 40% of Flipkart’s online traffic now comes from mobiles. It thus needs to add more features to its mobile shopping app, to increase customer satisfaction & loyalty.

References


Consume rs’ purchase behaviour, motivations and perceptions in the UK grocery sector: a multi-channel shopping experience

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Abstract
Objectives: The objectives of this paper are to provide an in-depth examination of consumers’ purchase behaviour, motives and perceptions of grocery shopping alternatives and to explore the meaning of ‘convenience’ among grocery shoppers.
Methods: Four 90 minute semi-structured, face to face triads (groups of three) were conducted among household grocery shoppers, reflecting different ages, family types and social classes. Three triads were conducted with women and one with men in the South East of England.
Findings: the contingent and situational approach to grocery shopping found in earlier studies is intensified by the increased availability of grocery channels, particularly the ‘branded’ local convenience stores. The diverse convenience benefits offered by each channel is central to the choice of where and when to grocery shop, whether for a ‘main’ grocery shop or a ‘top-up’ shop. No single grocery channel seems to fulfil all convenience and shopping requirements.
Conclusions and recommendations: For grocery shoppers, ‘convenience’ is sought by pursuing the optimal combination of online, ‘branded’ convenience stores and supermarket shopping. Hence grocery shopping can be defined as a truly multi-channel experience. The implication of these findings for grocery retailers is that the integration of their multi-channel strategies must focus on providing and reinforcing appropriate forms of consumer convenience in each channel.

1. INTRODUCTION

Online grocery sales in the UK grew 14% to £6.3 billion in 2013, but still represent just 4% of all food retailers’ sales (Mintel, 2014), despite large investments by an increasing number of retailers (e.g. Morrisons’ entry into the online grocery shopping market and Waitrose’s recent expansion of their own online channel). This evidence suggests that in grocery shopping, traditional brick-and-mortar stores continue to be very important for consumers. Indeed, ‘pure-play’ online grocers are rare and have struggled to achieve profitability and ‘channel stickiness’ (e.g. Ocado).

The opinion of academic researchers (e.g. Zhang et al., 2010), grocery retailers (e.g. London Business School Retail Club 2nd Annual eCommerce Conference, April 2014) and industry experts (e.g. Mintel, 2014) is that the ability of crafting integrated multi-channel retailing strategies is key to sales and profitability in the grocery, as well as other markets. Indeed, most major UK grocery retailers have already invested considerable resources in providing shoppers with a wide and growing range of grocery shopping alternatives (e.g. superstores, small local stores, online, mobile, interactive kiosks in train stations, ‘click and collect’, etc.). This investment in multiple channels, including continuous investment in stores, is also spurred by evidence that in grocery shopping, as well as in other markets, many consumers routinely make purchases in different channels for different purchase occasions (e.g. Hand et al., 2009), switch between channels as they move through the purchase process (Slack et al., 2008) and hence require multi-channel operations from retailers (Weinberg et al., 2007). These multi-channel shoppers are of increasing importance and an attractive market for many businesses, as on average they spend more money and have a higher lifetime value than single-channel shoppers (Neslin and Shankar, 2009).

Consumers’ motivations for the use of single or multiple purchase channels and their perceptions of channels’ advantages and disadvantages are still not fully understood (Dholakia, Kahn, Reeves, Rindfleisch, Stewart and Taylor, 2010). Yet this understanding would be valuable to retailers, who alongside investing considerable resources into expanding their distribution strategies to include an increasing variety of channels, need to define the operational scope of each channel and establish priorities in their overall channel provision. Our paper details a study which advances empirical work in this domain, through an in-depth examination of consumers’ behaviour, perceptions and motives towards diverse shopping channels in the UK grocery sector.
2. LITERATURE REVIEW
An extensive body of research has attempted to understand what motivates consumers to shop (in general) online versus in store, with ensuing typologies of ‘internet shoppers’ versus ‘store shoppers’ (e.g. Bhatnagar and Ghose, 2004; Fenech, 2000; Fenech and O’Cass, 2001; Ganesh, Reynolds, Luckett and Pomirleanu, 2010; Goldsmith and Bridges, 2000; Goldsmith and Goldsmith, 2002; Sénécal, Gharbi&Nantel, 2002; Van den Poel and Leunis, 1999). To a lesser extent, research has focused on consumers’ motives for purchasing groceries online rather than in store (e.g. Geuens, Brengman and S’Jegers, 2003; Roberts et al., 2003; Verhoef and Langerak, 2001), with Rohm and Swaminathan’s (2004) study providing a typology of ‘e-grocery shoppers’ as compared with ‘supermarket shoppers’. Overall however, this body of research has relied on comparing the characteristics and the perceptions of separate samples of ‘online shoppers’ and of ‘traditional retail shoppers’.

The increasing evidence of the contingent and situational approach to grocery shopping (Hand et al., 2009; Picot-Coupey, Huré, Cliquet and Petr, 2009; Schröder and Zaharia, 2008), whereby individual consumers habitually switch between the online and the offline channel, highlights the shortcoming of considering ‘online shoppers’ as separate from ‘traditional retail shoppers’. Such dichotomous treatment of online and offline cohorts of consumers does not reveal the motives behind single versus multi-channel shopping behaviour. Indeed, Schröder and Zaharia (2008) remark that it is incorrect to distinguish between a ‘store oriented behaviour’ and a ‘non-store oriented behaviour’, since there is evidence that consumers ‘choose where to make their purchase based on which channel is best suited to satisfy their motives’ (p. 462). Ring and Tigert (2001) point out that in the grocery sector, the online channel provides an additional purchasing mode which is complementary to the traditional in-store mode. Fundamentally, the authors suggest that customers will not necessarily replace one channel for the other completely.

Hand et al.’s (2009) contribution is noteworthy, as it provides different insights into the discussion of online shopping motives. In emphasising the importance of situational variables, this study found that life events were key triggers, influencing the adoption or discontinuation of online grocery shopping. They identified that for many shoppers, once the initial trigger has disappeared or after experiencing a service failure, online grocery shopping is discontinued, but may be restarted as other life events create new triggers. Furthermore, research by Ganesh et al. (2010) has revealed more similarities than differences between brick-and-mortar and click-and-mortar shoppers. More recently, Dawes and Nenycz-Thiel (2014) examined in-store and online grocery purchase patterns across multiple retailers, revealing that online grocery shoppers spread their purchasing across retailers and across the channels of these retailers.

Apart from the shortcoming in previous research of considering ‘online shoppers’ as separate from ‘traditional retail shoppers’, a second limitation of existing studies is that typologies of shoppers have been established mostly on the basis of the motives for adopting a particular shopping mode (e.g. Rohm &Swaminathan, 2004; Jayasankaraprasad&Kathyayani, 2014), with little attention to the perceived disadvantages, barriers or concerns. Yet, as noted by Jarvenpaa and Todd (1997) in the general context of Internet shopping, consumers often hold mixed views: the same people who are positive about Internet shopping are also negative. Consumer choice is not a simple process, but is the outcome of (sometime concurrent) approach, avoidance and escape behaviours (cfr. Allhadeff, 1982; Foxall, 1990, 2010).

In sum, the literature is deficient with regards to the real nature of single versus multi-channel grocery shopping behaviour and the directions it might take, adding to the retailers’ uncertainties about the complexity and cost of their multi-channel operations. Our study attempts to address this concern by conducting an in-depth examination of the purchase attitudes, motivations and behaviour among consumers who use multiple grocery channels.

3. AIM OF THE STUDY AND RESEARCH DESIGN
Our study aims to investigate grocery shopping perceptions and behaviour in the UK; with a focus on the motives and perceived advantages and disadvantages of shopping in specific channels (e.g. online, in store, independent convenience store etc.) or combinations of channels. The study examines purchase behaviour, motives and perceptions among a single cohort of consumers, thus overcoming the bias in previous studies that treat the cohorts separately. Consequently, our research objectives are:

- to understand consumers’ purchase behaviour, motives and perceptions of grocery shopping alternatives;
- to investigate the role of retail branding in consumers’ choice of (online) shopping channel;
- to explore the meaning of ‘convenience’ among grocery shoppers.

Qualitative research was considered appropriate for this study, intended to gain an in-depth understanding of consumers’ grocery shopping behaviour, allowing respondents to express ideas, attitudes, motives and
behaviours (Mariampolski, 2001). Triad groups (of three) were considered most suitable, as they facilitate discussion among respondents and provide opportunities for in-depth examination of individuals’ views which can be difficult in a larger discussion group setting. Using non-probability quota sampling, four 90 minute semi-structured, face to face triads were conducted among household grocery shoppers, reflecting different ages (30-40; 40-50; 50-60), family types (Pre-family/Young family; Teenage Family; Empty Nesters) and social classes (BC1; C1C2). Three triads were conducted with women and one with men in the South East of England. All triad group interviews were audio tape recorded and transcribed. Data analysis of all transcriptions followed a manual coding procedure, using paper coding and a thematic approach. Our key findings are highlighted and discussed below.

4. FINDINGS

4.1 A multi-channel shopping experience

Our respondents stated that due to time pressures, their grocery shopping has ceased to be treated as an occasion and is now fitted around other activities, becoming a multi-channel shopping experience characterised by more channels and more combinations thereof. We found no evidence of single-channel shopping. For many, the ‘big weekly shop’ is now ‘the online shop’, excluding some of the products previously bought in the traditional ‘big shop’ (e.g. fresh produce), resulting in a smaller basket size. Nevertheless, although big multiple supermarket stores are losing popularity, they remain a firm reference point for (comparison with) other channels and a place where shoppers ‘can see and touch things’…’you only go into them every 6-8 weeks to browse.’ Greater use of branded convenience stores such as Sainsbury’s Local and Little Waitrose (or branded garage e.g. M&S) for ‘topping up’ is having a major impact on shopping habits, ‘they are ideal for getting something extra’…‘they are great when you need something specific for a specific meal.’ Moreover, among our respondents, the combination of online shop plus branded convenience store offered the ideal grocery shopping combination, with resultant adverse effects on both large multiple stores and independent convenience stores.

The ‘online grocery shop’, occurring weekly or fortnightly, is planned, functional and about basic purchases, it is non-spontaneous and non-indulgent. Online grocery shopping is considered less stressful and more convenient as it ‘can be done in dead time’ to fit around other activities. Among our sample, online shopping followed a process; consultation of the ‘favourites’ list, consideration of promotions and adding items from a hand written list (generated since the previous shop and often kept in the kitchen). Online is seen to provide ‘added value’ with promotions, free delivery to the kitchen, a more personal service and initial discounts. Online returns policies are considered more relaxed and generous than in-store. However, our respondents voiced concerns about; the limited choice available online, ordering the correct size/ weight and the picking process, ‘you worry about getting what you ordered and what they have substituted’.

Shoppers’ feelings about promotions vary by channel, with online promotions considered more intrusive than in-store promotions. In-store, there is a feeling that consumers ‘find’ the promotions, with a sense of discovery (or hunting) and that this is an intrinsic and fun part of the store shopping experience. Online, promotions are often described as ‘pushy and in your face’ and can interfere with the shopping experience if they are not well handled by the website, ‘it’s trying to tell me what I want to buy. I find that annoying’, although can be seen as a benefit ‘at Sainsbury’s you choose to look at promotions’.

4.2 The role of branding

Consumers’ perceive grocery retailers to have very similar brand images across their different channels. The grocery retail brand is important to shoppers and their familiarity with the store (brand) creates trust in other channels. For the online brand, this is also underpinned by a strong belief that the online deliveries come from the local store, with associated quality control, care and attention features which they associate with the brand.

‘You want them to be local – within a five mile radius.’

‘I believe it comes from the shop. You see them in the mornings. You see them pushing trolleys around.’

The recent proliferation of branded convenience stores also extends the quality control, branding reassurance and price point perceptions of supermarket stores, at a local and more convenient level.

‘Convenience has become cheaper with Tesco Metro’

‘Years ago bigger was cheaper. But the prices in a Tesco Express or Sainsbury’s Local are identical (to the bigger stores).’

These branded convenience stores are seen as providing a major benefit for shoppers when compared with independent convenience stores, and are ‘frequently used for top ups; milk, bread, fresh fruit and veg and other essentials which are needed urgently’. Together with online shopping, they often offer an ideal combination for grocery shopping.
4.3 The meaning of ‘convenience’

The concept of convenience is channel specific, with different meanings for consumers in the various grocery channels. Online grocery shopping is seen as convenient for a number of reasons, for example: it fits in around other activities (in the background) ‘you can do it in the middle of the night. I have done it at 3am!’; the website facilitates list making; there is no queuing at the checkout and no driving, parking or walking around the store. Moreover, the overarching meaning of convenience in the online channel is delegation, whereby someone else is responsible for most of the shopping process i.e. doing the shopping itself, carrying the bags and delivery.

Local store convenience, provided by independent or branded convenience stores and garages is about speed, ease and availability of parking. These stores are used primarily for ‘top up’ shopping or emergency purchases. Big supermarket stores are often considered inconvenient, and were cited as, for example, ‘too big, too far to walk around, a problem when you have children with you’ with queues also seen as an issue.

5. DISCUSSION

The results of our qualitative research highlight that the contingent and situational approach to grocery shopping found in earlier studies (Hand et al., 2009; Picot-Coupey, Huré, Cliquet and Petr, 2009; Schröder and Zaharia, 2008) is intensified by the increased availability of grocery channels, particularly the ‘branded’ local convenience stores. The diverse convenience benefits offered by each channel appears to be central to the choice of where and when to grocery shop, whether for a ‘main’ grocery shop or a ‘top-up’ shop. No single grocery channel seems to fulfil all convenience and shopping requirements. For instance, paradoxically, while online grocery shopping is ‘convenient’ as it can be done at any time to fit around other activities, it is also ‘inconvenient’ as it requires more planning ahead. Furthermore, online shopping is still not used for all products. For grocery shoppers, ‘convenience’ is sought by pursuing the optimal combination of online, ‘branded’ convenience stores and, occasionally, supermarket shopping. Hence grocery shopping can be defined as a truly multi-channel experience. Consumers not only habitually switch between the online and the offline channel, but choose where and when to grocery shop online or in different formats of brick-and-mortar stores on the basis of what fits best around their other life commitments and their product requirements. The implication of these findings for grocery retailers is that the integration of their multi-channel strategies must focus on providing and reinforcing appropriate forms of consumer convenience in each channel.

Another finding with important implications for grocery retailers is that consumers’ perceptions of promotions vary in different channels. This is of particular importance to the online channel, where it can be difficult to communicate the price promotions available to consumers without being perceived as intrusive.

The limitations of this study are those associated with qualitative research methods. Our study used a non-probability sample of four triad groups (twelve respondents) and is not generalisable. The findings from this qualitative study will inform the next stage of our research programme which involves a quantitative study to validate the findings from the triads and determine the dimensions of perceived convenience in multi-channel grocery shopping.

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References


CRM from the user perspective: Proposed Research Model

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Abstract
Customer Relationship Management (CRM) has received a lot of attention and gained interest both by the industry as well as by academicians as a vital strategy towards organizations' success. Many organizations have experienced the business processes re-engineering benefits of implementing CRM systems and the resulting competitive advantage, as well as the improved organizational performance. Well-managed CRM systems have clear economic payoffs and offer significant possibilities for creating and sustaining ideal, highly satisfying customer relationships. However, literature reports empirical evidences that CRM implementation has been accompanied by vendor type and many stories of implementation failure.

Reviewing the literature, it is found out that the success factors for CRM implementations have been described and analyzed in many previous publications and have received increasing attention within the literature of CRM. However, most of these researches have evaluated a limited number of CRM aspects, not explaining thus, why success is becoming illusive, despite the fact that CRM systems are becoming a widely popular choice for implementation.

With the belief that firms' employees/CRM users are a key factor for successful CRM projects, a field study in the telecommunication sector was conducted that explored CRM employees’ point of view based on 257 employees’ responses. The main purpose of the study was to investigate the role of CRM users' perspectives towards CRM success. The main contribution of the study is that having knowledge for employees' capabilities and attitudes and perspectives concerning the usage of CRM is sufficient for the success of CRM and leads to positive work outcomes.

Keywords: Enhanced Technology Acceptance Model (TAM), Attitudes Towards Smart Phones, Intentions, Disconfirmation

1. INTRODUCTION

Customer Relationship Management (CRM) has become one of the most controversial issues and a focal-point in the business field. Many companies have used the CRM system for improving customer services for increasing customer value while trying to satisfying individual customer’s needs. Service providers that fail to match their customers’ needs and tastes and keep in track with changes in customers’ preferences, put their firm’s existence in danger.

Despite the fact that CRM can bring long term profits to any organization, there has been shown that companies can accomplish more than others by implementing it. CRM collects and processes a lot of information about customers. Without consumer data, the firms will not be able to individualize the market and make predictions for sales. The type of information gathered might be standardized by using smart tools. Many companies write down information about their customers’ preferences by their staff who observe and record consumers' preference information. Using information technology, firms are getting closer to customers and thus, build constant relationships with them, maximizing customer’s lifetime value (Samanta, 2009). Therefore, deploying CRM initiatives has become a very common practice generally.

Technology advances have led to strong growth of the consumer technology market and strong growth of technological applications offering assistance to several marketing issues. High technology product - adoption is one of the most interesting research areas. In attempting to study the use and acceptance of a new technology, many papers have employed Technology Acceptance Model (TAM) as a base model.
However, it is worthy to depict that even though CRM has been very closely connected with particular software assisting businesses to achieve their goals, it has been grown into a management philosophy in which an organization focuses its activities on a customer and it can be either IT-assisted or IT-automated (Bradshaw and Brash, 2001).

It is known that high tech markets have some significant characteristics that differentiate them from more traditional markets and make their marketing more complicated. Owing to this dissimilarities, marketing of high technologies is immensely different from marketing of consumer products (Yadav et al., 2006).

Several conjectural models such as TAM, have been offered to clarify why people accept or reject technological products. Thus, it is important to examine and identify which factors affect people's perception and adoption of consumer technology products.

With the belief that firms' employees/ CRM users are a key factor for successful CRM projects, a field study was conducted in the telecommunication sector that explored CRM employees’ point of view based on 257 employees’ responses. The main purpose of the study is to investigate the role of CRM users' perspectives towards CRM success.

Researchers have attempted to comprehend the technology implementation by exploiting previous theoretical models, such as the well known TAM model.

An intermediate step to achieve the main purpose of this study is to propose and test a modified form of TAM including factors affecting employees attitudes and behaviors towards the CRM software they use at the telecommunications shops.

Therefore, the specific objectives of this study are:

- To identify the main factors related to CRM software users attitudes and/or CRM software adoption
- To discover whether CRM software users attitudes and/or CRM software adoption affect company's profitability

This paper is composed as follows: In section 2, the literature review, provides a deeper insight into identifying variables that affect individual’s decision to adopt CRM software by employing TAM as the base model. In section 3, an enhanced model is proposed and the necessary hypotheses that are needed to support it are formulated. Then, the methodology followed is described. Next section presents the analysis of the empirical data and the results. The paper ends with conclusions, implications and limitations of the study along with future research suggestions in this area.

2. LITERATURE REVIEW

It is noticed that demographic, socioeconomic, and personal characteristics they have been examined in previous studies as predictors of technology-products adoption (Hirunyawipada and Paswan, 2006). It was found that demographic variables such as levels of income, socio economic status and education have direct influence on how technology is used amongst specific customer segments (Paul, 2002).

Various frameworks and models have been developed to investigate the nature and determinants of information technology (IT) acceptance and adoption. Davis' (Davis, 1986; Davis et al., 1989) Technology Acceptance Model (TAM) was originated from several psychological theories including Theory of Reasoned Action (TRA) (Fishbein and Ajzen, 1975). TAM model has been used frequently as the theoretical basis in many empirical studies for predicting consumers’ usage intention and behavior in the technology context (Park and Chen, 2007; Lee et al., 2009; Lu and Su, 2009; Chen et al., 2010; Chen at al., 2011). TAM claims that users evaluate the system based on its ease of use and perceived usefulness. If the system is easy to use and useful, a user would have a positive attitude towards the system which in turn causes a user's actual intention to use. Then, the intention creates a user’s decision to use the system. In general, there have been over 100 studies applying or validating TAM and results from all those studies suggest that TAM is capable of providing a fairly adequate explanation and prediction of user acceptance of IT (Chen et al., 2010). Thus, this study employs TAM relating perceived usefulness, functionality, ease of use and training and support to attitude towards CRM IT systems.
used by employees of companies related to mobile phones. The proposed TAM is used in order to examine whether users attitude towards CRM IT supporting systems is affected by systems ease of use, usefulness, functionality and training that the company offered to its employees to support them.

In the next section, we propose an enhanced TAM and formulate some hypotheses to explain the several parts that formulate it in relationship to user’s attitude towards CRM IT.

3. Proposed model

Several models have been proposed in the literature to determine the adoption or not of technology products. The most popular one is the Technology Acceptance Model (TAM), as mentioned previously. According to TAM, ease of use and perceived usefulness are main factors that lead to a positive or negative user attitude to adopt new technologies. In this case the attitude towards CRM software adoption in mobile phone technology stores can sequentially lead to positive intention to adopt it. Hence, TAM is the basic framework employed in this study as a basis to propose a model concerning CRM software adoption. Particularly, the basic TAM model is enhanced with functionality of the CRM software and other variables such as the demographics of the user. However, part of the whole model is presented herein.

Based on this framework there are some hypotheses formulated.

H1. “Training and support” towards CRM software has a significant positive effect on the “perceived usefulness” of the CRM software.

H2. “Training and support” towards CRM software has a significant positive effect on the smart phone “perceived ease of use” of the CRM software.

H3. The “perceived ease of use” of the CRM software has a significant positive effect on the “perceived usefulness” of the CRM software.

H4. The “perceived ease of use” of the CRM software has a significant positive effect on the “attitude towards the CRM software”.

H5. The “perceived usefulness” of the CRM software has a significant positive effect on the “attitude towards the CRM software”.

H6. The “functionality” of the CRM software has a significant positive effect on the “attitude towards the CRM software”.

Figure 1 Proposed CRM software adoption of the mobile stores employees
H7. The "attitude towards the CRM software" of the mobile phone store employee has a significant positive effect on the "CRM software adoption" by him/her.

The hypotheses above are tested in section 5.

4. Research methodology

4.1 Questionnaire

The survey instrument was a structured questionnaire, consisting of several parts. There were questions related to the variables under study. More specifically, multi-item measures were used to determine users’ perceived CRM s/w's "ease of use", "usefulness", "functionality" and "training and support". The multi-item measures were found in the relevant literature (Jih and Lee, 2003; Okazaki, 2006; Westlund, and Bohlin, 2008) and were adapted to our study. All these (Likert-scaled) measures were checked for reliability giving Cronbach’s Alpha more than 0.78 which is at an acceptable level. Finally, there were questions related to some demographic characteristics of the respondents.

The initial English questionnaire was translated into Greek. It was pretested, in a sample of students, in order to improve it. The respondents provided constructive comments, the majority of which were taken into consideration.

Statistical techniques that were employed are anova and Pearson correlation.

4.2 Sampling

The population under study was employees working in mobile phone stores and are users of the CRM system of the company they worked for. The sampling was a random type from the population of Thessaloniki area. The total sample was 270. After editing responses, some of the questionnaires were rejected and concluded to 257 users who participated in the results extraction. Data was collected through personal interviews conducted by the authors of the aforementioned institutions. A pre-requisite for user participation in the study was that he/she possessed experience in CRM software.

4.3 Demographics

The majority of the respondents were males. More specifically, 58.7% of the sample was males and 41.3% were females. 30% had an experience less than a year, 19,7% had a work experience from 1-3 years, 34,6% worked there from 3-5 years and the rest of the sample worked at this position for more than 5 years.

Regarding the education level, 21,7% graduated from high school, 62,3% held a university degree and the rest people held an M.Sc. or Ph.D. degree.

The questionnaire included questions about the respondents’ position at the store. Hence, 80,1% were working on sales whereas 10,2% was the store's manager, 4% was just store's technician and the rest of the sample had other jobs in the company. Thus, the outcome regarding demographics is that the majority of the respondents was working on sales and half of them were at their position for more than 3 years. This demographic background gives the results a substantial "particular weight" for the depth and knowledge of peoples answers.
5. RESULTS AND DISCUSSION

5.1 Verification of the proposed enhanced TAM

Pearson correlation and anova were applied in order to test the hypotheses formulated in section 3. All of the hypotheses were found to be statistically significant (more of them were significant even at 0,001). Hence, the proposed model is formulated as depicted in Figure 2.

The proposed model is enhanced, compared to the traditional one, by including some variables affecting the attitude of the CRM software user like "training and support" and "functionality" of the software under study.

The initial TAM includes some "external variables" that affect the "usefulness" and the "ease of use". Here the external variable is substituted with one of the development phases of CRM system implementation to a company (Sarmaniotis and Stefanou, 2005). "Training and support" is naturally related to the perceived ease of use and usefulness. "Ease of Use" and "Usefulness" are also related to each other. The latter are also related to the "Attitude" of the employees towards the CRM software (p<0,05). Moreover, "functionality" is related to the "Attitude" (p<0,001) hence $H_6$ is also supported. Finally, the "Attitude towards CRM software" is related to "CRM software adoption" (p<0,001). Thus, $H_7$ is supported.

Training and support rationally improve the capabilities of the user and, therefore, the perceived ease of use is increased. Simultaneously, usefulness is designated when training is adequate.

Training and support could be said to be a method for improving "Self-efficacy" which is a traditional variable to the TAM. In this study self-efficacy is not used because it is determined as a person's inherent capabilities. It could be perfectly match as part of a model that is generally investigating peoples' (users') physical trend to make use of something more general where personal talents could be prominent and make a difference.

![Figure 2. Verified proposed enhanced TAM model.](image)

Nevertheless, in this study the object is narrow (specific software) so training is imperative. Functionality is obviously another important reason for affecting users attitude (p<0,001) confirming findings in the literature. Next, as hypothesized, the attitude to adopt new versions of smart phones influences positively the intention of the consumer to adopt CRM s/w.

Finally, the second objective of this paper is also proved to be sustained. It is found that CRM s/w adoption is related positively to the profitability of the store (p<0,01). Profitability is external variable to the TAM and thus, cannot be included. However, this is an important managerial implication.
6. CONCLUSIONS, MANAGERIAL IMPLICATIONS AND FURTHER WORK

In this study, a survey took place in Greece in order to examine the attitude and intention to use a CRM S/W from the user perspective. The users were employees of mobile phone stores.

The study investigated the perceived quality of the CRM software used in stores of mobile telephony by the users and tries to extract relationships among basic (well-known) dimensions such as “functionality”, “ease of use”, “usefulness”, “training and support”, “attitude toward the software” and “software adoption” which have used Likert-scaled variables found in the literature. The results verified the main variables of a proposed modification of existing versions of the well-known Technology Acceptance Model (TAM). The main contribution of the study is that training and support influences employees’ capabilities, attitudes and intentions of adoption concerning the usage of CRM software that finally leads to positive work outcomes i.e. company's increasing profitability. In conclusion, an improved TAM is proposed. Of course this model should be validated and further studied in other settings provided that it is applied in a certain population. Finally, this model could be of great value to firms since it is studied from the user perspective and not the customer.

References


Predicting success and failure: revisiting the role of reputation management in leadership research

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Abstract
This paper discusses the use of reputation as a prism for discerning particular patterns in political leadership behaviour. This requires a fuller appreciation of the concept and a recognition of reputation as being instrumental in entrenching power structures and thus critical both to the incumbent and the challenger. The author’s attention is not so much on discovering something about the social world, but instead on reaching a judgement about the concept’s value in understanding leadership. Methodologically, for this theoretical analysis both theoretical material and descriptive material were selected and discussed in order to fully appreciate the concept’s applicability in leadership research.

In light of the evidence reviewed it may be assumed that what renders a leader decisive or passive may essentially be a reflection of reputational strength or weakness. In turn this leads us to conclude that concern with reputation engenders and shapes activity we observe in leaders and at the same time guides our interpretation of political decisions and phenomena. Eventually, we may come to see reputation as a concept that serves as a prism when interpreting how leaders address challenges. For leaders a concern with reputation may at times be an incentive to act – or remain immobile.

Keywords: Reputation, communication, politics

1. INTRODUCTION

Arguably the power asserted by leaders provides a justification for scholars to explore the notion of leadership and consider it an instrument to alter events and direct a nation’s course (Wildavsky, 2006). A fundamental set of questions leadership studies is addressing relates to power and the reflection on the causes and means that allow political leaders to attain a position of authority in a specific organizational or societal context. Likewise the sources of power are being discussed just as the tools leaders draw on to wield it (Blondel, 1987).

A core question political scientists are grappling with is the exploration of the reasons as to why people accept political authority and the leader’s position of command. Max Weber, referring to charismatic domination, preempts in part notions that decades later are conceptualized in management literature as personal reputation (Weber, 1986). Just like more recent research confirms with regard to reputation, Weber’s idea presupposes that the leader’s charisma is aligned with society and its sentiments.

Against this backdrop this paper seeks to illustrate how political leadership research needs to draw on the concept of reputation as developed in marketing research and defined as a tool to interpret and predict:

a. Leadership behaviour
b. Rapport between leader and followers
c. Support for the leader and the erosion of support
d. Recognition of leaders at apex of the structure
e. Leader’s options to retain and safeguard leadership

In the following paragraphs I will be fleshing out how notions of reputation management and leadership behaviour may form a symbiosis which is instrumental in understanding leaders and their relationships with the public. In the nutshell, the question is raised here as to reputation’s usefulness for discerning particular patterns in political leadership behaviour. The author’s attention is not so much on discovering something about the social world, but instead on reaching a judgement about the concept’s value in understanding leadership. Methodologically, for this theoretical analysis both theoretical material and descriptive material were selected and discussed in order to fully appreciate the concept’s applicability in leadership research.
We first need to define varied purposes reputation can serve. This insight will subsequently allow us to use the theoretical concept as a prism that refracts scenarios leaders operate in and guide our observations of leadership behaviour. Therefore, this brief review of literature is critical in our effort to introduce a concept grounded in marketing research into the political science discourse.

Shenkar (1997) who describes reputation as an “uncertainty resolving mechanism”. He suggests that a lack of information about products and services leads people to look for other cues such as reputation. His view is shared by Dowling (2008) who in his survey of Australian corporations reminds us of reputation’s function to reassure internal and external stakeholders. With regard to its applicability in politics it is worth noting the decisive impact of reputation on customers in the service industry, where it is understood to be difficult to make judgements on quality as the purchase decision often predates the service (Fombrun and Rindova, 1996; Roper and Fill, 2012). The assessment of quality therefore is exceedingly complex in a service context as there is no tangible product which would lend itself to verification before usage. Therefore, reputations are often used both to attract and to retain customers (Omar 2005). It would appear that this perspective links communications management in the service sector to the specific challenges one encounters in political leadership: Both settings deal with content, quality and promised performance which customers usually find similarly difficult to measure in advance.

What prevents us from applying the concept of reputation straightforwardly in politics is twofold. First of all, the notion is deeply rooted in business literature and therefore needs careful consideration before it can be safely adopted by another discipline. Secondly, the terms image and reputation are not being used consistently. There certainly appears to be an overlap and, as Barnett et al. (2006) pointed out, one is dealing with a lack of an appropriate definition. Their research confirmed a suspicion that the range of literature on reputation originating in various distinct academic disciplines is at the root of this confusion of perspectives and definitions.

Maarek just like Harrison confirms that reputation does not only reflect the current image of the organisation but also its past behaviour (Harrison, 1995; Maarek, 2011). Fombrun (1996, p.72) defines reputation as “a perceptual representation” of what the organisation was known for in the past. It also entails future expectations that define the organisation’s general appeal to all of its target markets in comparison with its closest rivals in these markets. Black and Carnes (2000) write that corporate reputation is seen as representative of the public’s cumulative judgements of firms over time, while Fill (2009) recognises that an organisation’s or individual’s reputation consists of a range of deeply ingrained images that are informed by an individual’s perception of identity cues which accumulated over an extended period of time. The way of seeing an organisation or individual is thus the result of a number of transactions and contacts one may have had in the past. Murray and White (2004) add to this definition the aspect of consistency. The strength of a particular reputation is contingent on a public’s appreciation of an attribute’s or entity’s consistency in the course of time.

There is broad agreement that reputation arguably is related to the facts or actions through which an organisation was well known in the past and is at present (Argenti and Druckennmiller, 2004). From the public’s perspective this entails the experiences people had with the organisation over a period of time (Murray and White, 2004). Caruana and Chircop (2000) add to this an awareness for reputation’s emotional potential which is contingent on the overall esteem in which the organisation is held (Caruana and Chircop, 2000). To clarify the various perspectives it is worth turning to Fombrun (1996) once again who provides us with three core criteria that define reputation. These points underline that while dependent on image, reputation is a much broader concept which due to the time factor appears to be less flexible, yet more enduring in comparison to fickle images that may change from day to day. Of particular merit is Fombrun’s definition of reputation as a means to distinguish one entity from another. He also places emphasis on reputation’s ability to integrate images. In brief: For Fombrun (1996) reputation is constituted of features that define and differentiate an organisation from competing ones as well as an attempt to accommodate a range of views constituents hold of an organisation in any given time (Fombrun, 1996).

Contributions to the debate about the sources of reputation were made over past decades both by marketers and sociologists add that esteem is a function of performance, while poor performance likewise causes disesteem (Erickson and Nasanchuck, 1984; Hutton et al., 2001). Relevant for its view on a potential applicability in the context of political communications is the notion of power and influence as a source of reputation. On this note Edwards (1969) acknowledges that the power to control resources does help build up reputation. Babchuk et al. (1960) go on to explain that power may be seen as the basis of reputation as it permits an organisation or an
individual to render services to the community, while it facilitates the assumption of responsibility to respond to key challenges and problems stakeholders may face.

It is critical for an organisation’s reputation to be robust and develop as it will make an entity recognisable and set it apart from its competitors (Schweizer and Nachoem, 1999). Marketing literature ascribes to image and reputation advantages an organisation may reap. A number of these advantages that are contingent upon successful reputation management will be discussed now.

With regard to competition – commercial or political - it is conceivable that an organisation or individual finds itself engulfed by rivals who strive to advance their respective reputational profiles by emulating successful reputation management practice. Therefore, a strong reputation would need to be developed and strengthened to a point where competing organisations may find it difficult to emulate it (Schwaiger 2004). Fombrun seems to have found an answer as to how reputation may be protected from competition. He found evidence that organisations which systematically strive to present both their mission as well as their identity had a stronger reputation than those competitors that ignored this advice (Fombrun 1998). Consequently, Fombrun warns against conspicuously altering reputation. He advises instead to treat reputation as a multi-disciplinary idea which continues to be bound to the essential strategies and aims of an organisation or individual and consistently reflects its mission, values and vision, in short, its identity (Fombrun, 1998).

There seems to be evidence to illustrate why organisations should invest in the build-up of their reputation fairly early on in their life cycle (Kay, 1993). Once reputation is well entrenched there is an expectation for a trade-off between strong reputation and customer loyalty which adds to the organisation’s equity (Cameron and Whetten, 1981; Cretu, 2007). In its early phase it appears reputation can not yet be traded into other resources but is simply needed to enter a market (Weiszacker, 1980; Falkenreck, 2010). This is a consideration that arguably reveals parallels between commercial organisations and individuals in a political context that are in need of reputation in relation to their publics. At a more mature stage reputation and image appear to immunise a system against outside risks and acquire therefore a pivotal role in dealing with difficult environments. Likewise when public mood is adverse techniques of managing perceptions are critical to keep up and facilitate communication between an organisation and its key publics (Howard 1998). Particularly, reputation’s function to immunise against external threats and its means to establish and safeguard communications with critical publics would justify its centrality in a political leader’s communications management. However, these considerations are largely theoretical in nature as political communications literature has not empirically addressed reputation’s function in leadership research to a degree marketers have done for organisations operating in a commercial environment.

Central to our consideration of reputation’s role in leadership studies is an underexplored aspect, which conceptualises reputation as an instrument to buttress the position of a political elite in a way no other means – such as force - could to the same degree or just as effectively. Eisenegger reminds us that reputation has not just economic functions that benefit businesses and their customer management efforts. It also has a role to play to control publics and the management of support for a political hierarchy. While he does not explicitly explore the case of political leadership, Eisenegger’s perspective affords reputation an exalted role in vindicating social inequality and a distribution of power in favour of a leader. His contribution explains how the wielding of disproportional influence by one person becomes accepted if that person’s standing and prestige remains unassailed. In other words, reputation of a leader creates trust which is critical for people to rely on and support the decision making of a leader. In short, Eisenegger accords reputation a legitimising function.

Eisenegger (2010) identifies a critical advantage that comes with reputation, which probably is of particular applicability in politics. He found that the build-up of reputation is not just aided by power, but that in turn the acquisition of reputation itself is an effective strategy to gain and maintain political power. With a closely related focus Seymour-Ure (2003) defines the aims of professional impression management in politics as an effort to strengthen a politician’s authority. In her view both skillfully staged public performances as well as media management are designed to serve this purpose. If authority and power hinge on a well-managed reputation, it becomes critical for leaders to control its very sources. Seymour-Ure (2003) suggests there are two sources that can be identified. First of all there is popular approval that is directed both at politicians and their party. Opinion polls help measure this source. Secondly, there is approval for the politician that originates from within their party in the constituency but even more so at Westminster (Seymour-Ure, 2003).

Peele (2005) is raising the question as to the choice of instruments used by leaders to achieve their objectives and those of their followers. Findings in reputation research may lead us to an array of means used in communication management leaders avail themselves of in order to create images which in turn aim to confirm their suitability to satisfy for the position and satisfy expectations raised among audiences. This match between
a leader’s images and the set of publicly raised expectations is understood to be bolstering reputation which in turn explains and justifies a leader’s authoritative role and commanding position at the apex of an order.

This widely recognized status attained through a systematic build-up of personal reputation may allow to attend more effectively to tasks Tucker (1995) and Heifetz (1994) consider a leader’s core duties, such as the interpretation of issues, the selection of objectives and means to address them, the advocacy of personal takes on subjects and solutions to problems, and the mobilisation of support among followers. Leaders’ status is based on followers and indeed the process of exercising leadership implies the need for followers (Mant, 1999). The support and goodwill extended by followers is thought to play a decisive role in determining a leaders’ career trajectory, potentially propelling them into positions of unassailable authority or alternatively eroding their powers of command (Hollander, 1998; Kellermann, 2008) This rapport between followers and leaders, one could argue, can be better conceptualised when viewed through the lens provided by the concept of reputation. The concept of reputation as an interpretative prism in the study of the relationship between leader and followers in an attempt to understand leadership behaviour and political decision making is applied to a study on Roman imperial history (Schnee 2011,Schnee 2014) which illustrates how emperor Claudius’s ability to command a following was the result of political and military actions that were calibrated to bring about images of competence and decisiveness. These in turn were translated into what was widely seen as an imperial reputation that commanded authority and good will among senators, the army and the populace (Schnee, 2014)

The theoretical concept and its application are grounded in an interpretation of reputation as an instrument that generates trust, goodwill and support for individuals whose success is tied to public approval. Against this backdrop one could proceed with critiquing current and recent political leaders’ efforts to establish effective leadership, which is defined as the means selected by a leader intent to actuate specified results. The ability to achieve ends is taken to be the criterion that promises to cast light on the effectiveness of leadership.

Historiographical examples of politicians (strong leaders and weak ones) and their respective reputation and engagement with perception management techniques may evidence how politician’s career trajectories and reputational strength and demise are interwoven. The most prominent implications deriving from the applicability of reputation as an interpretative prism are: First of all, it allows us to sharpen our ability to discern the causes of leadership behaviour, public reactions and political outcomes. Secondly, it serves as a guide to anticipate current and future leadership behaviour.

An analysis of historical cases may lead to the emergence of dichotomous typologies that are reflective of a leader’s attributes and qualities and how they are being viewed and categories by their audiences: These could be along the lines of efficient leadership (Greenstein, 2004), doing a good job or not (Kellerman, 2004; Aristotle, 1958) or level of formality (Tucker, 1995) to name just a few. However, categories may also be organized along ideological lines and the rigidity with which leaders adhere to them (Kissinger, 1974).

These judgements hinge on perceptions that take shape as a result of the leader’s exposure to public judgement and media scrutiny. Perceptions reflect to a significant degree conscious decision by leaders and their support staff aimed at image making and reputation building. In other words, dichotomous typologies of leaders’ qualities is perhaps less reflective of actual leadership personali, but instead serves as a mirror of more or less successful public relations efforts leaders invest in to fabricate qualities they hope to be associated with. In this case the judgement of leadership attributes needs to engage both with the concept of reputation and the process of reputation building that has been the subject of extensive research among scholars of management and business. Karl Deutsch in his categorization of leaders’ qualities added a feature that acknowledges that leadership individuals need to adapt to a changing environment in order to maintain their audiences’ support. This acknowledgement constitutes yet another parallelism that suggests management scholar’s understanding of reputation, its purpose and the means to build and safeguard it may help interpret and predict processes in political leadership.

3. CONCLUSION

This contributes to a better understanding of strong and weaknesses of leadership and relates back to a core question raised by political scientists engaged with leadership research: The discussion about leadership resolve and decisiveness, neither of which may be exclusively hinging on the leader’s natural personality traits (Brown, 2014). Insights into what renders a leader decisive or passive may rather be a reflection of reputational strength.
In turn this leads us to conclude that concern with reputation engenders and shapes activity we observe in leaders and guides our interpretation of political decisions and phenomena. The most recent and prominent case one may want to view through the prism suggested here is the strategy deployed by various European heads of government in dealing with the aftermath of the economic, debt and structural crisis that engulfed the EU. The widely criticised unwillingness or inability to tackle structural reforms and the procrastinate by some governments to enact austerity measures may not be born out of policy advice or ideological ties, but rather be a reflection of concerns leaders entertained about the consequences any decisions may have had on their respective reputation. In other words, the consideration of the kind of reputation leaders have, need to protect or aspire to therefore should constitute the starting point of any discourse of leadership.

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Technological intensity and buying decision-making approaches in manufacturing sector

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Abstract:

Objective - Although various variables that affect organizational buying behaviour, as well as typologies of buying decision approaches have been proposed in the literature, there is a lack of research that relate organizational decision-making approaches and technology intensity of organizational buyers. Hence the objective of this paper is to explore the relationship between buying decision-making approaches of manufacturing firms and their level of technology intensity.

Method - The data for this study were collected by survey, from the Croatian manufacturing firms within different technology intensity sectors. Data were analysed using exploratory and confirmatory factor analysis. Analysis of variance was employed to explore the relationship between the level of technological intensity and factors determining buying decision approach.

Findings - Findings show that firms from low technology sectors are less concerned about the flexibility and reliability of their suppliers; moreover, the importance of supplier’s reliability increases with the level of sectoral technological intensity.

Conclusions and recommendations - Findings may provide insightful information for suppliers who plan to cooperate with manufacturing companies in high- and medium-high technology industries. These companies emphasize flexibility and reliability of their suppliers.

Keywords: organizational buying decision-making approach, technological intensity, manufacturing sector

1. INTRODUCTION

Research on organizational buying behaviour has been intensified during the eighties of the twentieth century. Since then the interest in this research area is growing. Different variables that affect buyers’ purchase decisions, as well as typologies of buying decision approaches have been proposed in various industries (Bunn, 1993; Johnston and Lewin, 1996; Moon and Tikoo, 2002). Although Webster and Wind (1972) state that technology affects the organizational buying process, and Brennan (2014) adds that purchasing behaviour will vary regarding technological complexity, there is a lack of research that relate buying decision approaches and technological intensity. Hence, the aim of this research is to explore the relationship between buying decision approaches of companies operating in manufacturing industry.
and their level of technological intensity. This relationship is tested by ANOVA. Manufacturing industry provides the setting for this study, since manufacturing companies typically spend 50-75% of their revenues on purchasing materials and services, and there is a growing need to improve quality of products and reduce costs in order to improve their competitiveness on the market (Lindgreen et al., 2013). The study is carried out in Croatia, a small post-transition economy that has recently become a full member of the EU.

The paper is organized in the following way: after the introductory part, the literature review of concepts of technological intensity and organizational buying decision-making approaches are presented. The methodology used in this research is presented in the third section. Results are given in the fourth section, while section five provides conclusions.

2. THEORETICAL BACKGROUND

2.1. Technology intensity

Technology intensity is one of the main industry characteristics (Zou and Stan, 1998). The concept of technology intensity takes into account “both the level of technology specific to the sector (measured by the ratio of R&D expenditure to value added) and the technology embodied in purchases of intermediate and capital goods, as suggested by Hatzichronoglou (1997, p. 3). Since the R&D represents a direct measure of technology (Machin and van Reenen, 1998), manufacturing industries could be grouped into four categories regarding their R&D intensity (OECD, 2009): (1) high, (2) medium-high, (3) medium-low, and (4) low technology. Detailed classification is given in a Table 1, and is based both on indicators of direct and indirect R&D intensity (OECD, 2011).

<table>
<thead>
<tr>
<th>High-technology industries</th>
<th>Medium-high technology industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft and spacecraft</td>
<td>Electrical machinery and apparatus, n.e.c.</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>Motor vehicles, trailers and semi-trailers</td>
</tr>
<tr>
<td>Office, accounting and computing machinery</td>
<td>Chemicals excluding pharmaceuticals</td>
</tr>
<tr>
<td>Radio, TV and communications equipment</td>
<td>Railroad equipment and transport equipment, n.e.c.</td>
</tr>
<tr>
<td>Medical, precision and optical instruments</td>
<td>Machinery and equipment, n.e.c.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Medium-low technology industries</th>
<th>Low technology industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and repairing of ships and boats</td>
<td>Manufacturing, n.e.c.; Recycling</td>
</tr>
<tr>
<td>Rubber and plastics products</td>
<td>Wood, pulp, paper, paper products, printing and publishing</td>
</tr>
<tr>
<td>Coke, refined petroleum products and nuclear fuel</td>
<td>Food products, beverages, and tobacco</td>
</tr>
<tr>
<td>Other non-metalic mineral products</td>
<td>Textiles, textile products, leather and footwear</td>
</tr>
<tr>
<td>Basic metals and fabricated metal products</td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Classification of manufacturing industries based on R&D intensities

Based on the works of Malerba (2002) and Pavitt (1984), Wu (2012, p. 491) claims that technology intensity of an industry “determines the opportunities of a firm to acquire new technologies, assimilate them, and apply them to commercial ends”.

In addition, firms can be differentiated regarding their technological complexity (Woodward, 1965, cited in Mohr, 1971). Namely, they can be categorized as unit production companies, mass production companies, and process production companies and their purchasing behaviour will vary regarding their technological complexity (Brennan, 2014). Since technology does affect the organizational buying process (Webster and Wind, 1972), we assume that technology intensity affects organizational buying decision-making approach, as well.

Wu (2012) says that sectoral technology intensity represents one of the main environmental characteristics in the emerging market. The context of our empirical study is also an emerging market, i.e. the Republic of Croatia. We, therefore, hope to discover does the technology intensity affect the organizational buying decision-making approaches in manufacturing firms in an emerging market?

2.2. Organizational buying decision-making approaches

In the organizational buying behaviour literature, various buying decision-making approach typologies, taxonomies and portfolio models have been proposed. Three most influential are those proposed by Kraljic (1983), Monczka (1995) and Bunn (1993).

Kraljic (1983) proposed portfolio model that includes a combination of two risks: (1) the risk of product availability, and (2) the financial, supply risk. In the relevant literature the risk of product availability is better known as profit impact (e.g., Gelderman and van Weele, 2005) that can be defined as impact on profitability, importance of purchase and value of purchase, while the supply risk can be defined as market risk, performance risk and complexity risk (Wagner, Padhi, and Bode, 2013). Kraljic’s model is presented in a form of two-by-two matrix, enabling four types of purchased products to be identified: Routine or noncritical products, Bottleneck or critical products, Leverage products, and Strategic products. Each type of a product determines distinctive buying approach (Faber, Lamers and Pieters, 2007).

Monczka’s or the MSU (Michigan State University) model represents a step-by-step approach, consisted of fourteen processes, where each next process adds a new decision that needs to be made. The eighth important steps of the Monczka’s MSU model, that determine strategic purchasing behaviour of the organizational buyer, are specific strategic processes that organizations must take into consideration during buying decision-making process, while the six of them are enabling processes (Stuijts, Waterman and Schreijen, 2010), that should be considered in order to improve purchasing performance (Faber, Lamers, and Pieters, 2007).

In 1993 Bunn introduced her taxonomy of buying decision approaches, which provided six prototypical buying decision approaches, grounded in the BUYGRID model and based on an empirical study of professional buyers. These buying decision approaches are determined by four buying activities (search for information, use of analysis techniques, proactive focusing, and procedural control) and four situational variables (purchase importance, task uncertainty, extensiveness of choice set and perceived buyer power). Six types of different buying decision approaches were identified: Casual purchase, Routine low priority, Simple modified rebuy, Judgemental new task, Complex modified rebuy, and Strategic new task. The use of particular buying approach depends of situational variables, such as purchase importance, task uncertainty, extensiveness of choice set and perceived buyer power.

Besides buying decision-making approach typologies, specific factors that affect buying behaviour and purchasing decision-making were identified in various industries that serve industrial markets – e.g. food, steel, metal, pharmaceutical industry, electronics, business services, finance, transportation, hospital industry, wholesaling and retailing, and etc. (Robertson and Wind, 1980; Crittenden, Scott and Moriarty, 1987). Among them, a special consideration is given to the supplier’s/vendor’s characteristics that are considered to be of a great importance in a decision-making process, such as: supplier’s flexibility, managerial capacity, reputation and position in industry, technical capability, willingness to cooperate, warranties and claim policies, customer support or professionalism, etc. (Cavusgil and Yavas (1987), Spekman (1991), Birou and Fawcett (1993),
What can be seen from the presented literature review is that: (1) there are three dominant typologies of buying decision approaches, (2) there is no universal typology of buying decision approaches, and (3) there are no researches that discuss the relationship between buying decision approaches and level of technology intensity, especially in manufacturing industry.

Since the purchasing behaviour of organizational buyers is influenced by their technological complexity (Brennan, 2014) and because technology does affect the organizational buying process (Webster and Wind, 1972), we assume that technology intensity affects organizational buying decision-making approach as well.

3. METHODOLOGY

The data for this study were obtained from the manufacturing companies operating in the Republic of Croatia, during a period of May-June 2014. The questionnaire was sent to 544 companies, including all medium and large companies, registered in the Croatian Manufacturing industry (section C according to NACE Rev. 2), in the Croatian Chamber of Economy online database. 146 questionnaires were completed and returned, producing a return rate of 26.8%. Summary statistics on sampled manufacturers is presented in Table 2.

Table 2: Sample characteristics, n = 146

<table>
<thead>
<tr>
<th>Main activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacture of food products</td>
<td>8,2</td>
</tr>
<tr>
<td>Manufacture of beverages</td>
<td>4,1</td>
</tr>
<tr>
<td>Manufacture of tobacco products</td>
<td>0,7</td>
</tr>
<tr>
<td>Manufacture of textile</td>
<td>5,5</td>
</tr>
<tr>
<td>Manufacture of wearing apparel</td>
<td>1,4</td>
</tr>
<tr>
<td>Manufacture of leather and related products</td>
<td>1,4</td>
</tr>
<tr>
<td>Manufacture of wood and products of wood and cork, except furniture;</td>
<td>6,8</td>
</tr>
<tr>
<td>manufacture of articles of straw and plaiting materials</td>
<td></td>
</tr>
<tr>
<td>Manufacture of paper and paper products</td>
<td>4,8</td>
</tr>
<tr>
<td>Manufacture of chemicals and chemical products</td>
<td>4,1</td>
</tr>
<tr>
<td>Manufacture of basic pharmaceutical products and pharmaceutical preparations</td>
<td>2,1</td>
</tr>
<tr>
<td>Manufacture of rubber and plastic products</td>
<td>6,2</td>
</tr>
<tr>
<td>Manufacture of other non-metallic mineral products</td>
<td>9,6</td>
</tr>
<tr>
<td>Manufacture of basic metals</td>
<td>5,5</td>
</tr>
<tr>
<td>Manufacture of fabricated metal products, except machinery and equipment</td>
<td>15,8</td>
</tr>
<tr>
<td>Manufacture of computer, electronic and optical products</td>
<td>3,4</td>
</tr>
</tbody>
</table>
Manufacture of electrical equipment | 4.1
Manufacture of machinery and equipment n.e.c. | 3.4
Manufacture of other transport equipment | 1.4
Manufacture of furniture | 3.4
Other manufacturing | 6.8
No answer (NA) | 1.4

Company's ownership

- Predominantly private Croatian ownership | 64.4
- Predominantly private foreign ownership | 28.1
- Predominantly state/public ownership | 6.2
- No answer | 1.4

Number of employees

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>From 1 to 9</td>
<td>3.4</td>
</tr>
<tr>
<td>From 10 to 49</td>
<td>8.2</td>
</tr>
<tr>
<td>From 50 to 249</td>
<td>54.8</td>
</tr>
<tr>
<td>250 and more</td>
<td>32.9</td>
</tr>
<tr>
<td>No answer</td>
<td>0.7</td>
</tr>
</tbody>
</table>

Following the OECD classification (2009), we grouped Croatian manufacturing firms according to the level of sectoral technological intensity in which they operate into: (1) high- and medium-high technology industries, (2) medium-low technology industries, and (3) low-technology industries. We grouped high- and medium-high technology industries together because of the small number of high-technology firms in Croatia.

Initial set of 124 items related to various aspects of purchasing behaviours in companies was developed using literature review. The items were taken from the following studies: Doney and Cannon (1997), Won Lee, Kwon and Severance (2007), Humphreys, Li and Chan (2004), and Miočević and Crnjak Karanović (2012). The list of items was reorganized according to the stages in the organizational purchasing process, built up with new items, and tested by authors in terms of their content and clarity. Out of 137, 91 items were included in the questionnaire prepared for the in-depth interviews with ten purchasing managers, whose role was to evaluate items in terms of their clarity and logic. Finally, 62 items were included in the final questionnaire. All items were measured on a seven-point Likert-type scale, anchored at 1 (strongly disagree) and 7 (strongly agree). Final questionnaire also included questions about the company’s main activity, number of employees, ownership structure, market orientation and membership in multinational corporations/systems.

Developed scales were multi-item scales, so before their application in further data analysis their adequacy was assessed by evaluating their reliability and their construct validity. Scale reliabilities were assessed by means of Cronbach’s alpha coefficients, while construct validity was assessed by means of exploratory and confirmatory factor analysis.

Analysis of variance was employed to explore the relationship between the level of technological intensity and factors determining buying decision approach.
4. RESEARCH RESULTS

Initial EFA with varimax rotation of factors was performed on all 62 items. Items with loadings greater than 0.5 on more than one factor, and items with loadings lower than 0.5 on their primary factor, were removed from further analysis. The remaining 22 items were again factor analysed. They loaded on six factors and were named as follows (Table 3): (1) supplier’s flexibility, (2) supplier’s reliability, (3) interdepartmental communication, (4) top management support, (5) routine purchases and (6) buyer’s price sensitivity. These results show that in Croatian manufacturing industry firms make purchasing decisions influenced by different factors.

Table 3: Factors and Items (variables)

<table>
<thead>
<tr>
<th>Factor 1: Supplier’s flexibility (scale adjusted from Doney and Cannon, 1997)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I7: We cooperate only with those suppliers who are willing to customize their products according just for us.</td>
</tr>
<tr>
<td>I8: We cooperate only with those suppliers who are willing to change their production processes just for us.</td>
</tr>
<tr>
<td>I9: We cooperate only with those suppliers who are willing to change their inventory procedures just for us.</td>
</tr>
<tr>
<td>I10: We cooperate only with those suppliers who are willing to change their delivery procedures just for us.</td>
</tr>
<tr>
<td>I11: We cooperate only with those suppliers who are willing to invest in tools and equipment just for us.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor 2: Supplier’s reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>I4: Our company uses information technology well to exchange information with suppliers. (<em>item from Won Lee, Kwon and Severance, 2007</em>)</td>
</tr>
<tr>
<td>I5: Only reliable companies can be our suppliers.</td>
</tr>
<tr>
<td>I6: Purchase is the most likely to be made from those suppliers who are ready to adjust to our requirements.</td>
</tr>
<tr>
<td>I12: Speed and the punctuality of delivery are important factors that affect our selection of a supplier.</td>
</tr>
<tr>
<td>I13: When we make strategic purchase we cooperate only with those suppliers who can deliver the required quantity in due time.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor 3: Interdepartmental communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>I16: Our company is organized in such a way that information important for purchasing decision are available and delivered without any restrictions.</td>
</tr>
<tr>
<td>I17: Various functional departments in our company interact during the purchasing process.</td>
</tr>
<tr>
<td>I18: In our company there is a tradition of good communication between departments that directly or indirectly participate in the purchasing process. (<em>item from Miočević and Crnjak Karanović, 2012</em>)</td>
</tr>
<tr>
<td>I19: In our company managers of different departments/functions are expected to share key information that is essential for successful purchasing. (<em>item from Miočević and Crnjak Karanović, 2012</em>)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor 4: Top management support (scale from Humphreys, Li and Chan, 2004)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I20: In this company purchasing is considered a vital part of our corporate strategy.</td>
</tr>
<tr>
<td>I21: Top management is supportive to our efforts to improve the purchasing department.</td>
</tr>
</tbody>
</table>
I22: Purchasing’s views are considered critical in most top managers’ eyes.

**Factor 5: Routine purchases**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>I1</td>
<td>When we purchase routine products (i.e. office or cleaning utensils) we rarely ask for new information.</td>
</tr>
<tr>
<td>I2</td>
<td>When we purchase routine products (i.e. office or cleaning utensils) we rarely search for new suppliers.</td>
</tr>
<tr>
<td>I3</td>
<td>In our purchasing decision-making process suppliers with whom we have had previous experience are better evaluated in relation to those who are unknown to us.</td>
</tr>
</tbody>
</table>

**Factor 6: Buyer’s price sensitivity**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>I14</td>
<td>Price is the most important factor in our purchasing decision.</td>
</tr>
<tr>
<td>I15</td>
<td>We always choose the suppliers that offer the lowest price.</td>
</tr>
</tbody>
</table>

After EFA, 22 remaining items were subjected to CFA to test the validity of measures and detect the unidimensionality of each construct. The fit indices indicate acceptable level of fit of the measurement model (Chi-square/df=1.68; RMSEA=0.06; CFI=0.92). Factor loadings for all items were significant at $p < 0.01$ level, which indicates a high level of unidimensionality of scales. Discriminant validity of the measures was assessed by comparing constructs pairwise with two models: (1) one with the correlation between the constructs is constrained to 1, and (2) one with correlation between the constructs is specified as free (Anderson and Gerbing, 1988). In each case, two-factor model had a better fit than a single-factor model, indicating an acceptable level of discriminant validity of applied measures. Convergent validity of the measures was assessed by AVE indicator. For all scales AVE was higher than 0.5 threshold value.

Scale reliability was assessed by means of Cronbach’s alpha coefficients. Values of Cronbach’s alpha coefficients were higher than 0.7 value for all but one scale (price sensitivity; 0.68) which indicate acceptable level of reliability.

Mean values were calculated for each factor and its items listed in Table 3, and these mean values were taken as an input in the analysis of variance, with the level of sectoral technological intensity as independent variable and factor mean value as dependent variable (Table 4).
Table 4: ANOVA results

<table>
<thead>
<tr>
<th>Factors</th>
<th>Level of sectoral technological intensity</th>
<th>ANOVA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low (n=41)</td>
<td>Medium low (n=36)</td>
</tr>
<tr>
<td>Supplier’s flexibility</td>
<td>5.2</td>
<td>5.5</td>
</tr>
<tr>
<td>Supplier’s reliability</td>
<td>5.5</td>
<td>5.7</td>
</tr>
<tr>
<td>Interdepartmental communication</td>
<td>5.9</td>
<td>5.8</td>
</tr>
<tr>
<td>Top management support</td>
<td>5.7</td>
<td>5.9</td>
</tr>
<tr>
<td>Routine purchases</td>
<td>5.1</td>
<td>5.1</td>
</tr>
<tr>
<td>Buyer’s price sensitivity</td>
<td>5.3</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Our findings indicate that there were significant differences (at p<0.1 level) on two factors – “Supplier’s flexibility” and “Supplier’s reliability”. As compared to firms from medium-low and high- and medium-high technologically intensive sectors, firms from low technology sectors are less concerned about the flexibility of their suppliers. The findings also show that the higher the level of technological intensity, the more important supplier’s reliability. On the other four factors no significant differences in factor values between firms from different technologically intensive sectors were found.

5. CONCLUSION

Croatian manufacturers make purchasing decisions driven by different factors: (1) supplier’s flexibility, (2) supplier’s reliability, (3) interdepartmental communication, (4) top management support, (5) routine purchases and (6) buyer’s price sensitivity. Among these six factors, two of them (supplier’s flexibility and supplier’s reliability) proved to be significant when related to the level of sectoral technological intensity. As far as supplier’s flexibility is concerned, firms from low technology sectors are less concerned about the flexibility of their suppliers. As far as supplier’s reliability is concerned, it is evident that the importance of suppliers’ reliability increases with the level of sectoral technological intensity. However, it should be taken into account that the sample size is rather small for making general conclusions. Although this limitation reflects real situation in Croatian manufacturing sector, in terms of statistical purity it should be taken into account.

Despite the limitation, the results of this study offer useful insights into the organizational buying decision making approaches of the companies in different groups of technological intensity. Suppliers who plan to cooperate with manufacturing companies in high- and medium-high technology industries should take into the consideration that manufacturing firms in high- and medium-high technology industries place more importance on supplier’s reliability. They should, therefore, be willing to exchange information with buyers, be fast in delivery, deliver goods on time, and deliver required quantities.

There are several ideas for further research projects in this area. It would be interesting to make an international survey, which would enable comparison between different countries. Furthermore, it would be interesting to discover how is the level of technological intensity related to service companies’ buying decision approaches, since the technological intensity of service companies is not represented by the same measures as for
manufacturing companies. Finally, it would be interesting to examine the link between buying approaches, the level of sectoral technological intensity and company performance across various industries and countries.

References


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Investigation of the moderating role of consumer opinion platforms in online reviews adoption

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Abstract

The aim of this study is to investigate the influence of Electronic Word of Mouth (EWOM) on consumers’ adoption of information by comparing the differences between online opinion platforms (COPs), e-merchants and independent websites. The Elaboration Likelihood Model and Information Adoption Model are utilised as the theoretical foundation of a conceptual model. Some hypotheses will be developed and tested by data collected from a questionnaire survey conducted in Phuket, Thailand. The results of this paper are expected to extend the knowledge of EWOM and enable marketers to better understand the way in which consumers process information and decide to adopt it.

Keywords: Electronic word of mouth (EWOM), Information adoption, online review platforms

Track: Word of Mouth Communication

1. INTRODUCTION

It is essential for marketing practitioners to develop a good understanding of consumers’ opinion of their products and services, and electronic word of mouth (EWOM) is an outstanding example of the way in which consumers’ opinions influence the decision-making of others, especially in the area of tourism. In fact, EWOM continues to be the most popular source of information when travellers need to make a decision (Gretzel, Yoo and Purifoy, 2007) and they actively search for information about new products and services (Roos and Gustafsson, 2007). Word of mouth can be seen on different electronic platforms, such as social networking sites, blogs, websites, and email.

According to a review of existing literature, there have been several studies related to the impact of EWOM on various marketing outcomes (Arsal, Backman and Baldwin 2008; Li and Hitt, 2008; Moe and Trusov, 2011). Although some researchers have studied online reviews, none of them have compared the influence of online consumer review platforms on the hospitality and tourism industry. Lee and Youn (2009) found that there was no difference in the influence of branded and independent review websites, while Filieri and McLeay (2013)
argued that the likelihood of consumers’ adoption of information from these two types of websites might be different.

Since the effect of different kinds of consumer opinion platforms (COPs) is unclear from the aforementioned research, the influence of EWOM needs further investigation (Litvin et al. 2008; Vermeulen and Seegers, 2009) and this has provided the motivation for the current study to compare how the nature of different consumer opinion platforms (COPs) influences the adoption of information delivered by EWOM. Since consumer opinion platforms are regarded as one of the main constituents of the adoption of information (Cheung and Thadani, 2012), the study not only focuses on extending the knowledge of EWOM but also proposes some practical marketing strategies for EWOM practitioners. Therefore, the research question is as follows;

What factors are likely to influence travellers to adopt information from different types of consumer opinion platforms?

The aim of the study is to investigate the effect of EWOM on travellers’ adoption of information from online consumer review platforms by combining the antecedent factors of EWOM. Different types of online opinion platforms (COPs) are compared to investigate their moderating influence on consumers’ adoption of information in order to advance this line of research.

2. LITERATURE REVIEW

2.1 Electronic Word of Mouth (EWOM)

Word of mouth enables consumers to collect information from people they already know as well as from strangers (Lee et al., 2006). Online consumer reviews consist of EWOM that can be either positive or negative, depending on the perspective of the writer (Sen and Lerman, 2007). Lee et al. (2011) claim that online reviews have become a major source of support for consumers’ consumption. The number of consumers who rely on online reviews to assess products and services prior to purchasing them is continuing to increase, as illustrated by the rise in popularity of these websites (Senecal and Nantel, 2004). Indeed, it is common for almost all travellers to read online reviews before they make a decision to purchase (Zhu and Zhang, 2010).

Many researchers have studied the power of EWOM in online consumer reviews (Hennig-Thurauf, Gwinner, Walsh and Gremler, 2004; Mumdambi and Schuff, 2010; Zhu and Zhang, 2010; Racherla and Friske, 2012), but most of them have focused on single platforms, whereas the current study will compare e-merchant and independent websites because of their different characteristics (Park et al., 2012). E-merchant websites act as a one-stop shop for travellers to book tickets and buy products (O’Connor, 2008) and they only publish reviews from consumers who have purchased services through them. For example, they send an email to travellers after their stay, asking them to provide a review (Gretzel and Yoo, 2008). Booking.com is an example of an e-merchant website. Meanwhile, independent websites collect and spread consumers’ online reviews, regardless of how they made the booking (O’Connor, 2008). Travellers are not able to book a room or flight on these sites but they provide links to various travel agencies and hotel websites (Rabanser and Ricci, 2005). Reviewers are required to verify their identity by providing information such as their email, name, gender, and state of
residence to ensure that the messages are credible (Xie et al., 2011). TripAdvisor is a good example of an independent website on which consumers share their opinions.

2.2 Information Adoption

Most prior research in the study of adoption has attempted to investigate the factors that contribute to information adoption because it is difficult to verify the authenticity and source of WOM, particularly in an online context (McKnight and Kacmar, 2006). When applying the concept of information adoption, most researchers extend the knowledge by using the original model of Sussman and Siegal (2003), which was the first to explain the adoption of information in terms of information usefulness, quality of argument, and source credibility. The Elaboration Likelihood Model and the Information Adoption Model is used in the current study. However, although many researchers have studied EWOM, few have focused on the adoption of information (Cheung, Lee and Rabjohn, 2008). In the academic literature, a number of studies in the field of EWOM have only focused on the effectiveness of EWOM communication (Cheung and Lee, 2012; Duan, Gu and Whinston; Chevalier and Mayzlin, 2006), people’s motivation for posting (Lee, Cheung, Lim and Sia, 2006; Hennig-Thurau, Gwinner, Walsh and Gremler, 2004) and the conceptualisation of EWOM communication (Litvin, Goldsmith and Pan, 2008).

3. CONCEPTUAL FRAMEWORK

It is necessary to further extend existing research by enhancing the theoretical knowledge to explain the different types of online consumer opinion platforms, namely, independent review websites and e-merchant websites, from the perspective of travellers’ likelihood to adopt information from them (Filieri and Mcleay 2013). Lee and Youn (2009) suggest that it is still unclear how consumers adopt information from EWOM on each online consumer opinion platform; therefore, this research attempts to rectify this lack of clarity.

The research framework is basically an extension of the Information Adoption Model (IAM) and Elaboration Likelihood Model (ELM) of Sussman and Siegal (2003). However, in this research, individual’ thinking process is divided into two routes based on the ELM, namely, the central route and the peripheral route.

![Figure 1: Research Framework](image-url)
3.1 Central Route

In central route, six dimensions have been proved to have a direct influence on consumers' perception of the usefulness of online platforms. It is assumed that consumers find information with a high degree of Information Timeliness refers to Information is available when needed (Cheung et al., 2008), Information Accuracy refers to consumer's perceives that the information is correct (Cheung and Lee, 2012), Information Relevance refers to degree of congruence between what the consumer wants and what is provided by the information (Delone and McLean, 2003), Information Completeness refers to the Information meets the consumer's need (Wixon and Todd, 2005), Information Understandability refers to clarify of information in terms of language, semantics and expression (Mckinney et al., 2002) and Value-add Information refers to online reviews from consumer opinion platforms that help consumers to discover special offers and better evaluate quality (Fillieri and McLeay, 2013), which is useful for their decision-making process. This leads to the formation of the following hypotheses:

H1a: Information Timeliness from E-merchants websites has positive significant influences on travellers’ information usefulness.

H1b: Information Timeliness from Independent websites has positive significant influences on travellers’ information usefulness.

H2a: Information Accuracy from E-merchants websites has positive significant influences on travellers’ information usefulness.

H2b: Information Accuracy from Independent websites has positive significant influences on travellers’ information usefulness.

H3a: Information Relevance from E-merchants websites has positive significant influences on travellers’ information usefulness.

H3b: Information Relevance from Independent websites has positive significant influences on travellers’ information usefulness.

H4a: Information Completeness from E-merchants websites has positive significant influences on travellers’ information usefulness.

H4b: Information Completeness from Independent websites has positive significant influences on travellers’ information usefulness.

H5a: Information Understandability from E-merchants websites has positive significant influences on travellers’ information usefulness.

H5b: Information Understandability from Independent websites has positive significant influences on travellers’ information usefulness.

H6a: Value-add Information from E-merchants websites has positive significant influences on travellers’ information usefulness.

H6b: Value-add Information from Independent websites has positive significant influences on travellers’ information usefulness.
3.2 Peripheral Route

In peripheral route simply refers to information shortcuts as less cognitive effort represents by six dimensions; Review quantity is an indicator of the product’s popularity (Duan, Gu and Whinston, 2008), Review sidedness refers to positive and negative elements so that consumers can consider a balance of positive and negative reviews (Purnawirawan et al., 2012), Product ranking refers to an overall rating that is often displayed as a number to represent the average rating provided by all reviewers of the same product (Moe and Schweidel, 2012), Review consistency refers to a similar experience reported by different consumers and readers believe in the experience and reviews (Cheung et al., 2009), Source expertise relates to the knowledge and skill of the source (Fogg and Tseng, 1999) and Source trustworthiness is an important determinant of information usage (Komiak and Benbasat, 2006). This leads to the formation of the following hypotheses;

H7a: Review Quantity from E-merchants websites has positive significant influences on travellers’ information usefulness.

H7b: Review Quantity from Independent websites has positive significant influences on travellers’ information usefulness.

H8a: Review Sidedness from E-merchants websites has positive significant influences on travellers’ information usefulness.

H8b: Review Sidedness from Independent websites has positive significant influences on travellers’ information usefulness.

H9a: Product Ranking from E-merchants websites has positive significant influences on travellers’ information usefulness.

H9b: Product Ranking from Independent websites has positive significant influences on travellers’ information usefulness.

H10a: Review Consistency from E-merchants websites has positive significant influences on travellers’ information usefulness.

H10b: Review Consistency from Independent websites has positive significant influences on travellers’ information usefulness.

H11a: Source Expertisefrom E-merchants websites has positive significant influences on travellers’ information usefulness.

H11b: Source Expertise from Independent websites has positive significant influences on travellers’ information usefulness.

H12a: Source Trustworthiness from E-merchants websites has positive significant influences on travellers’ information usefulness.

H12b: Source Trustworthiness from Independent websites has positive significant influences on travellers’ information usefulness.
3.3 Information Usefulness and Information Adoption

According to the information adoption model by Sussman and Siegal (2003), information usefulness is the main antecedent of information adoption, and this is confirmed by Racherla and Friske (2012). Consumer online platforms enable individuals to post their opinion of products or services to the benefit of others. Receivers consider the online opinion, and when they perceive it to be useful, they are more likely to adopt this information. This leads to the formation of the following hypothesis:

H13a: Perceived information usefulness of E-merchants websites has a positive significant influence on travellers’ adoption of information

H13b: Perceived information usefulness of Independent websites has a positive significant influence on travellers’ adoption of information.

4. METHODOLOGY

The data will be collected by means of an online questionnaire survey and sample of the tourists who have experience of e-merchant or independent websites will be selected to participate in the survey using snowball sampling in Thailand. The questions in the questionnaire are adapted from Cheung et al., (2008) and Filieri and McLeay (2013), and the responses measured by a seven-point Likert scale.

5. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

This study has the following limitations. First, data will be collected from tourists who have experience with two kinds of websites: e-merchants or independent websites. Thus, researchers should be cautious in limited the results of this study. However, the future research should investigate the moderating effects in other types of platforms. Second, the sample used in this study was limited to developing country, specifically in Thailand. The finding might not applicable to developed country, which have different cultures and attitudes. Therefore, applying this current research model into developed country might also be an interesting.

6. CONCLUSION

This paper represents a research in progress whereby a conceptual framework has been developed to respond to the need for extended research due to the advent of online channels and information systems related to consumers’ decision-making. The paper also seeks to identify the factors that stimulate consumers to adopt the information from e-merchant and independent websites in order to address the current gap in the literature.

The results of the study are expected to provide valuable information for practitioners since, according to Pantelidis (2010), firms need to monitor online consumer reviews and make strategic responses. Thus, marketers
should pay close attention to tourists’ opinions on these websites and use the information to improve their services, which will subsequently lead to increased profits.

References


Online hotel reviews: the role of perceived source credibility and pre-decisional

Student loyalty in higher education: the impact of service quality, student satisfaction and motivation to learn

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Abstract

Purpose – This study aims to provide a better understanding of what drives student loyalty in higher education by examining motivation to learn and student satisfaction as antecedents. Furthermore, this study investigates the effects of service quality dimensions on student satisfaction.

Design/Methodology/Approach – The authors developed and tested a model, using survey data from 327 first year students of a Dutch University of Applied Sciences.

Findings – The empirical findings show that both student satisfaction and motivation to learn influence student loyalty. Student satisfaction also stimulates motivation to learn, which implies that motivation to learn is not an exogenous variable for higher education institutions.

Conclusion – In order to increase retention, it is important to understand the drivers of student loyalty. We demonstrate that student satisfaction and motivation to learn are important drivers of student loyalty. This study shows that ideas from relationship and service marketing offer valuable insights for the domain of higher education.

Recommendations – Future research should more closely examine the relationship between student satisfaction and loyalty and could also include possible other antecedents such as relationship quality and customer engagement. Moreover, future longitudinal research that concentrates on all four years of students’ degree programs would provide better insight in the extent to which student loyalty develops over time.

Keywords Marketing in Higher Education, Student loyalty, Service Quality, Student satisfaction, Motivation to learn

Paper type Research paper
INTRODUCTION

Student loyalty is increasingly considered as a critical measure of higher education institutions’ success (Rojas-Méndez et al., 2009). It has been defined as “an attitude state in which the clients (students) feel connected to an organization, not only by recommending and defending them, but also refusing to drop out” (Bergamo, Giuliani and Galli, 2011, 41), and it can be signaled through various behaviours or behavioural intentions in different contexts (Zeithaml, Berry and Parasuraman, 1996). In the context of higher education (HE), research has examined loyalty intentions and behaviours such as positive word-of-mouth about the institution (Alves and Raposo, 2007) and commitment towards the institution (Perin et al., 2012). As retaining students has become increasingly important, the services and relationship marketing approach has become of great interest for higher education institutions (Bowden, 2011; Helgesen, 2008). Insights from these disciplines are critical to create and maintain a relationship between institutions and students and thereby to enhance customer retention and loyalty (Bowden, 2011; Bergamo, Giuliani and Galli, 2011).

Student satisfaction has been found to be positively related to student loyalty (Marzo-Navarro, Pedraja-Iglesias and Pilar Rivera-Torres, 2005; Schertzer and Schertzer, 2004; Thomas, 2011). Student satisfaction consists of students’ perceptions of experiences and value during their college years (Astin, 1993). In a previous study, Donahue and Wong (1997) have indicated student satisfaction also influences students’ motivation and it appears to predict student retention as well (Astin, 1993). Although quite a number of studies have contributed to our understanding of student loyalty, the role of motivation to learn as a driver of student loyalty is still under-researched.

On the other hand, one of the major drivers of satisfaction known from the services and relationship marketing approach is service quality. Higher education institutions should recognize the importance of service improvements in establishing a competitive advantage (Nadiri, Kandampully and Hussain, 2009). Several studies show that the impact of service quality dimensions on student satisfaction in the context of higher education is still inconclusive. Therefore, this study aims to provide a better understanding of what drives student loyalty (in this study meaning the first year HE-students intention to retain and continue their studies) by examining motivation to learn and student satisfaction as antecedents and the effects of service quality dimensions on student satisfaction.

THEORETICAL FRAMEWORK

Loyalty

The main goal of relationship marketing is “to create customer loyalty so that a stable, mutually profitable and long-term relationship is enhanced” (Ravald and Grönroos, 1996, p.19). For organizations, loyal customers (students) can be (extremely) profitable in the long run (Nesset and Helgesen, 2009) and loyal students seem to be a source of competitive advantage (Thomas, 2011).

Motivation to learn

Motivation to learn refers to a “specific desire of the trainee to learn the content of the training program” (Noe, 1986; p.743). Highly motivated students will be more active within their study programme, which will increase their commitment to continue their studies (Lin, McKeachie and Kim, 2001). Accordingly, we expect that students with a stronger motivation to learn are more loyal to their degree program.

As students’ satisfaction with their degree program reflects the positive assessment of their degree program or, stated differently, the pleasurable fulfillment of their need for education, we hypothesize that student satisfaction also has a positive effect on motivation to learn, next to a positive effect on loyalty.
Satisfaction

Oliver (1996) states that satisfaction is a(n) (positive) assessment of a product or service feature, or the product or service itself. It requires a “pleasurable level of consumption and related fulfillment” (Oliver, 1996; p.13). Student satisfaction is perceived as a parallel concept (Elliott and Shin, 2002; Marzo-Navarro, Pedraja-Iglesias and Pilar Rivera-Torres, 2005). Accordingly, we argue that the concept of customer satisfaction applies to higher education students in such a way that if students are highly satisfied with their degree program, they are more likely to be loyal to their degree program.

Service Quality

Service quality can be defined as “the consumer’s judgment about a product’s overall excellence or superiority” and has different dimensions (Zeithaml, 1988, 3). A well-known instrument for measuring service quality is SERVQUAL, which includes the following five dimensions of service quality (Parasuraman, Zeithaml and Berry, 1988; p.23):

- Tangibles: Physical facilities, equipment, and appearance of personnel
- Reliability: Ability to perform the promised service dependably and accurately
- Responsiveness: Willingness to help customers and provide prompt service
- Assurance: Knowledge and courtesy of employees and their ability to inspire trust and confidence
- Empathy: Caring, individualized attention the firm provides to its customers empathy.

Although SERVQUAL has been widely used in studies on customer satisfaction and service quality, the dimensions of service quality and the measurement approach are still debated and unsettled (Buttle, 1996; Salvador-Ferrer, 2010). Service quality in HE, can be investigated by scales specifically developed for the HE-setting, such as HEdPerf (Abdullah, 2005) or the Enlarged Service Quality Scale (ESQS; Salvador-Ferrer, 2010). However, recent studies by Akhlaghi, Amini and Akhlaghi (2012) and Khan et al. (2011) suggest using SERVQUAL (or a modified version) to assess student perceptions of service quality. These studies indicate that the dimensionality of service quality is yet inconclusive. To increase our understanding of the dimensionality of service quality and the applicability within the HE-sector, we examine the effects of the five dimensions of SERVQUAL on student satisfaction.

Based on the literature prior mentioned, we hypothesize:

H1: Motivation to learn has a positive effect on student loyalty.
H2: Student satisfaction has a positive effect on student loyalty.
H3: Student satisfaction has a positive effect on motivation to learn.
H4: Service quality (more specifically its dimensions of tangibles, reliability, responsiveness, assurance, and empathy) has a positive effect on student satisfaction.

We depict our conceptual model in Figure 1.
METHOD

To test our conceptual model, we collected data through a survey among 835 first year students of a University of Applied Sciences in the Netherlands having approximately 4,500 enrolled students. Representing a 39% response rate, 327 questionnaires were completely filled out.

Measurement

To measure student loyalty we concentrated on intention rather than behaviour, using three items based upon the research of Zeithaml et al. (1996). Motivation to learn was measured by five items from Bennett’s study (2009). The three items used to measure student satisfaction were adopted from Zhang and Bloemer (2008). To measure service quality we used 22 items measuring service perceptions adapted from Nadiri et al. (2009) that were based in Parasuraman et al.’s (1991) SERVQUAL. For each item, a seven-point Likert scale ranging from “completely disagree” to “completely agree” was used.

PLS path modeling (SmartPLS 2.0; Ringle et al., 2005) was used to estimate the specified model. We assessed the quality of the measurement model on unidimensionality, convergent validity, reliability, and discriminant validity. A confirmatory factor analysis showed that all indicators loaded on their intended factors, thereby indicating unidimensionality. To assess convergent validity, we tested the significance and analyzed the magnitude of each indicator’s loading on its intended latent variable (Anderson and Gerbing, 1988). Construct reliability was acceptable, as indicated by composite reliability values exceeding .7. Finally, the average variance extracted (AVE) for all constructs was greater than the threshold value of .5 (Fornell and Larcker, 1981). In addition, discriminant validity was tested by comparing the square root of the AVE of each construct.
to its correlations with the other latent constructs. For all pairs of latent variables, the square root of the AVE was higher than the correlations between the variables, indicating discriminant validity (Fornell and Larcker, 1981).

RESULTS
Hypothesis 1 stated that motivation to learn had a significant positive effect on student loyalty. Furthermore, we hypothesized that student satisfaction would have positive effects on student loyalty (hypothesis 2) and motivation to learn (hypothesis 3). All three hypotheses were confirmed. Hypotheses 4a, b, c, d, and e stated that service quality (tangibles, reliability, responsiveness, assurance, and empathy) would have a positive effect on student satisfaction. Only reliability and assurance had a significant impact on student satisfaction. Thus, hypotheses 4b and d were supported, whereas hypotheses 4a, c, and e, were rejected. The model explained 47% of the variance in student loyalty, 56% of the variance in student satisfaction, and 19% of the variance in motivation to learn.

DISCUSSION

Theoretical implications
In line with the existing literature, we demonstrated that student satisfaction had a positive influence on student loyalty (Brown and Mazzarol, 2009; Elliott and Shin 2002; Gibson, 2010; Marzo-Navarro, Pedraja-Iglesias and Pilar Rivera-Torres, 2005). In that respect, higher education does not differ from other service contexts, which supports the idea of students as customers. Our study showed that it is possible and worthwhile to apply services and relationship marketing insights to a higher education setting. The finding that motivation to learn enhances student loyalty is an important contribution to the higher education literature, because it shows that motivation to learn not only leads to positive outcomes for the motivated student (e.g., academic achievement (Lin, McKeachie and Kim, 2001), but also for the higher education institution. In addition to a continuous stream of revenues generated by loyal students, the institute might also attract new students, because of the positive word-of-mouth spread by loyal students.

Our study supports the five dimensional structure of service quality, but interestingly, not all dimensions had an effect on student satisfaction. Building on Pollacks’ study (2008), reliability and assurance apparently are necessary as well as sufficient prerequisites to actually influence student satisfaction favourably. Further research is needed to examine this explanation.

Practical implications
The results of this study have practical implications for higher education institutions that seek to achieve student loyalty. Higher education institutions must focus on satisfying their students as satisfaction influences both motivation to learn and student loyalty. Our findings show that higher educations should focus on reliability and assurance, both largely determined by people (the institute’s teachers and administrative personnel). The management of higher education institutions should therefore pay attention to employee skills and attitude. These findings are in line with (Arena, Arnaboldi and Azzone, 2010; p.954), who found that “the ability to interact with students appears to be the most significant issue in the student’s opinion”.
Limitations and recommendations for future research

Although our study makes an important contribution to the higher education literature by extending the knowledge of service and relationship marketing in the higher education context, there are several limitations. This study had a cross-sectional design, which means that, although we based our conceptual model on existing research, which increases the validity of our findings, true causality could not be demonstrated. Therefore, a longitudinal study on the relationships between service quality, student satisfaction, motivation to learn, and student loyalty is recommended. Furthermore, the conceptual model explained 47% of the variance in student loyalty, 56% of student satisfaction, and 19% of motivation to learn, which means that over 50% of student loyalty is not explained by student satisfaction and motivation to learn. Future research should provide new insights in which factors could further explain possible significant drivers and should therefore more closely examine the relationship between student satisfaction and loyalty and also include possible other antecedents based on services and relationship marketing – such as relationship quality, trust, commitment, customer engagement – possibly in combination with insights from traditional motivational theories. Future longitudinal research that concentrates on all four years of students’ degree programs would provide better insight in the extent to which student loyalty develops over time. In line with this, alumni also form an interesting group to research.

CONCLUSION

The rationale for this research was the growing belief student loyalty is a critical measure of higher education institution’s success. In order to increase retention, it is important to understand the drivers of student loyalty. We demonstrate that student satisfaction and motivation to learn are important drivers of student loyalty. Two dimensions of service quality – reliability and assurance – affect student satisfaction. This study shows that ideas from relationship and service marketing offer valuable insights for the domain of higher education.
References


Impact of social media marketing on e commerce: a study of customer perception

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Abstract:
In today’s word, Social media marketing has changed the e-commerce more profoundly. Social media marketing has become an effective tool to increase the awareness of the customer, while e-commerce provides vast variety of products with more choices. So it is convenient for the social media user not only to increase awareness about the goods as well as services by social media but also purchase anything on internet as they can desire by e-commerce. This paper is an attempt to examine the customer perception regarding significant role of social media marketing and its impact on e-commerce. This paper will also study economic, social and ethical issues involved in social media marketing. The research is exploratory in nature. The authors study planned framework on a 300 social media users as a sample in Indian population. Finding of this paper indicate that being familiar with social media marketing, the buying interest of the Indian customers by e-commerce and conclusion exhibit the perception of Indian customers that how social media marketing is an effective tool for online purchasing. Recommendations include the measures to increase the impact of social media marketing on its commercial viability and social acceptance.

Keywords: Social media marketing, e commerce, Customer perception, Internet

1. INTRODUCTION:

Social Media Marketing can be considered as a prospective marketing stage by the global companies, exploited their resources with revolutions in advertising processes with it. Goodwill and reliance are two basic components in the network of social media. It enables to the social media users by which they can share their thoughts and opinions which can be linked to companies and customers. Social media marketing has active devices like Facebook, Twitter, Linkin, Youtube etc. which help to make online relationships with internet users. It is a very economical platform for the enterprises which facilitates them to get in touch with the internet users. It plays a very dominant role which has an economic impact.

In social media marketing one social media user is inspired by other in the network. This connection impacts for repurchasing which is associated with the upcoming incomes as well as to maintain the belongingness of the company. Public relation plays a very significant role for the upliftment of the business and present growth of social media pays a development of transparency in the business. There is interconnection between creators and customers because customers provide feedbacks for products and services and this way growth of the business is possible. When thoughts and expectation are united it gives a clear image of products and services in the minds of the group (Varey 2002).

To define the analysis of the features of the buying decision and important factors which impacts on the buying decision on the basis of social media marketing, this research shapes the consumer buying decision model of motivational atmosphere of social media marketing and continue experimental study to deliver essential result for purchasing upgradation of products on e-commerce.

2. LITERATURE REVIEW:

Muñiz and Jensen Schau, 2007 explained in their work nature and culture of individual belonging to social media impacts to deliver the quality of respective brands and products. Cha 2009 pointed out that social media is a big opportunity for retailers to know the customer’s response for the development of trade. When lot of people are connected with social media then it can be very easy to reach target market by using this network. Zeng, Huang, and Dou 2009 identified the motives and view related to group. Kaplan and Haenlein2010 illustrated that phase „social networking sits” frequently swapped with social media. However, social media is used inversely. It empowers social media user to get in touch with friends and relatives by providing their details profile. Therefore it can be derived from their finding that social media is a platform on which social network is made and it enables the customers to collect information associated with goods as well services for purchasing decisions.
Shankar et al. 2011, described that not only by using social media individuals get attached with each other but also by using technology they can increase their awareness of products and purchase it on e-commerce. Defining their study in Punjab Vij & Sharma (2013) found four social media marketing strategies which are ‘interesting’, ‘informative’, ‘interactive’ and ‘reliable’.

3. CORE PROBLEM:

A lot of research has been done in the social media marketing and some of it is more general showing motivation of customer for consumption of products (Mady 2011). Other research projects are more evaluating in nature. The effects of different variables on internet user evaluated by Georgi and Mink, 2012. Only few studies exist that focus on the impact of social media marketing on e-commerce. Consequently this study tries to position itself in the ‘gap’ that exists as a result of the need for more research in order to identify the variables that determine the different link between both social media marketing & e-commerce. These stages demonstrate the impacts of social media marketing on social media users and responsible factors for purchasing on e-commerce. It was clarified by Davis 1985 that motivation of user can be illustrated by three significant factors which are perceived ease of use, perceived usefulness and their attitude for using the system. Eroglu et al. 2001 established a model based on context of Stimulus-Organism-Response(S-O-R). This model was based on signs of atmosphere and replies available online. The part of any stimuli was not described by the authors. They explained merely the model normally. Later on, this model was examined practically by some researchers where they pointed out the place of atmosphere as stimulus. The model of research is based on the social media user and social media marketing which determine the different phases in relationship building for purchasing on e-commerce.

4. OBJECTIVE: To find out the impact of social media marketing on social media user for purchasing on e-commerce.

5. FORMULATION OF HYPOTHESIS: Developing the hypothesis takes a point of departure in establishing and developing the relationship between the social media marketing and purchasing on e-commerce, resulting in following phases:

5.1 Phase- I (Impacts of social media marketing on social media user):
1Ho: Psychological experience is independent of living style of social media user.
2Ho: Social media site is independent of living style of social media user.
3Ho: Prejudgement of product is independent of living style of social media user.
4Ho: Updates & alerts of brand and products is independent of living style of social media user.
5Ho: Group awareness is independent of living style of social media user.
6Ho: Goodwill generation is independent of living style of social media user.

5.2 Phase-II (Factors for purchasing on e-commerce):
7Ho: There is equal in agreement rating on time saving process of e-commerce.
8Ho: There is equal in agreement rating for availability of global products on e-commerce.
9Ho: There is equal in agreement rating for more choices are available on e-commerce.
10Ho: There is equal in agreement rating for products are in reduced price on e-commerce.
11Ho: There is equal in agreement rating for easy access of products on e-commerce.

6. RESEARCH METHODOLOGY:

The research was carried out on a convenience sample of 300 social media users in India with a use of a questionnaire consists of 15 questions. Questionnaire consists of questions regarding age group, gender, profile, psychological experience of products, use of social media site, prejudgement of product, updates and alerts of brands and products, effective group, effective role regarding social media marketing and agreement of users for purchasing on e-commerce. The questionnaire used for the survey consisted of some multiple-choice, closed-ended questions as well as to find out the level of agreement, Likert 5 rating scale were used for the purpose of the survey where possible answers range from “Agree” to “Disagree”. Exploratory research methodology has been used. For analyzing the data SPSS 20.0 software has been used.

7. DATA ANALYSIS:
Table 1 depicts the respondent’s demographic data. It is evident that 27.7% respondents were having age range between 20 to 25 years while 46% respondents were lie the age group between 26 years to 30 years. 16% of the respondents are in age group 31 years to 50 years and 10.3% are in age group of 50 and above. Out of the total 300 respondents 232 are male and their percentage to total amount to 77.3%.

<table>
<thead>
<tr>
<th>Age Groups</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 to 25 years</td>
<td>83</td>
<td>27.7%</td>
</tr>
<tr>
<td>26 years to 30 years</td>
<td>138</td>
<td>46.0%</td>
</tr>
<tr>
<td>31 years to 50 years</td>
<td>48</td>
<td>16%</td>
</tr>
<tr>
<td>51 years &amp; above</td>
<td>31</td>
<td>10.3%</td>
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<table>
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<tr>
<th>Gender</th>
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<tbody>
<tr>
<td>Male</td>
<td>232</td>
<td>77.3%</td>
</tr>
<tr>
<td>Female</td>
<td>68</td>
<td>22.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Living style of social media user</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Student</td>
<td>50</td>
<td>16.7%</td>
</tr>
<tr>
<td>Employed</td>
<td>90</td>
<td>30.0%</td>
</tr>
<tr>
<td>Business</td>
<td>108</td>
<td>36.0%</td>
</tr>
<tr>
<td>House wife</td>
<td>52</td>
<td>17.3%</td>
</tr>
</tbody>
</table>

Source: Surveyed data

7.1 Test of hypothesis:

The data was analyzed by using Chi-Square(χ²) test (test of independence) and forov – Smirnov One – sample test, for testing the hypothesis.

7.1.1 Results of Chi-square test of independence:

Using SPSS 20.0 software results are given in table 2. The hypothesis model test is shown intable. The purpose of accessing the contingency analysis of Chi-square distribution is to ascertain whether there is any dependency relationship between variables. The relationship between the group awareness and living style of internet user is found to be significant at 0.05 level. Table: 2 Results of Chi-square test of independence.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Hypothesis</th>
<th>Pearson Chi-Square Value</th>
<th>Df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Finding</th>
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<tr>
<td>1.</td>
<td>1Ho</td>
<td>13.426</td>
<td>6</td>
<td>0.037</td>
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</tr>
<tr>
<td>3.</td>
<td>2Ho</td>
<td>18.032</td>
<td>9</td>
<td>0.035</td>
<td>Rejected</td>
</tr>
<tr>
<td>4.</td>
<td>3Ho</td>
<td>21.087</td>
<td>12</td>
<td>0.049</td>
<td>Rejected</td>
</tr>
<tr>
<td>5.</td>
<td>4Ho</td>
<td>17.775</td>
<td>9</td>
<td>0.038</td>
<td>Rejected</td>
</tr>
<tr>
<td>6.</td>
<td>5Ho</td>
<td>22.789</td>
<td>9</td>
<td>0.007</td>
<td>Rejected</td>
</tr>
<tr>
<td>7.</td>
<td>6Ho</td>
<td>14.275</td>
<td>6</td>
<td>0.027</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

7.1.2 Reliability and validity test:

To begin with the reliability of all the theoretical constructs used in the study agreement from time saving process, availability of global products, more choices, reduced price and easy access have been assessed by resorting the Cronbach alpha tool available with SPSS 20.0 software. The results were given in Table: 3 which indicate that all the constructs have acceptable Cronbach Alpha reliability coefficient with five variables in the 0.81 level.
Hence it has been concluded that the questionnaire used for the survey is reliable. Hence it has been concluded that the questionnaire used for the survey is reliable (Nunnally, 1978; Cortina, 1993).

7.1.3 Results of Kolmogorov – Smirnov One –sample test:
To compare a set of values on an ordinal scale, Kolmogorov – Smirnov One –sample test has been used. This test is concerned with the degree of agreement between a set of observed values and the values specified in the null hypothesis. The level of agreement from time saving process of e-commerce is found to be significant at 0.05 level.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Hypothesis</th>
<th>Kolmogorov-Smirnov Z value</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>7Ho</td>
<td>4.315</td>
<td>0.000</td>
<td>Rejected</td>
</tr>
<tr>
<td>2.</td>
<td>8Ho</td>
<td>4.381</td>
<td>0.000</td>
<td>Rejected</td>
</tr>
<tr>
<td>3.</td>
<td>9Ho</td>
<td>4.261</td>
<td>0.000</td>
<td>Rejected</td>
</tr>
<tr>
<td>4.</td>
<td>10Ho</td>
<td>4.179</td>
<td>0.000</td>
<td>Rejected</td>
</tr>
<tr>
<td>5.</td>
<td>11Ho</td>
<td>4.164</td>
<td>0.000</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

8. RESULTS AND DISCUSSION:
Davis (1985)’s relationship characterized the motivation of the customer on the basis of three factors perceived ease use, perceived usefulness and attitude towards using the system and SOR (Stimulus-Organism-Response) framework of Eroglu et al. (2001). As figure 1 shows the most important relationship between impacts of social media marketing on living style of social media user and factors which are responsible for purchasing on e-commerce. Regarding the 1Ho, 2Ho, 3Ho, 4Ho, 5Ho & 6Ho hypothesis, a connection between motivational impacts like (psychological experience, social media site, prejudgement of product, updates and alerts of brands & products, group awareness and Goodwill generation) and living style of social media user. It has been found from the study that social media user gets impacted while using social media and his/her perceived value for respective product & services is increased. It can be illustrated that as per the living style of social media user (i.e. student, employed, business, housewife) marketing of brands and product shared on social media site. By this the usefulness of products and brands are perceived for purchase intention. From hypothesis testing 7Ho, 8Ho, 9Ho, 10Ho & 11Ho, it has been derived that factors like (time saving, availability of products, more choices, reduced price & easy access) are responsible for purchasing on e-commerce.

Figure: Impact of social media marketing on social media user for purchasing on e-commerce
9. CONCLUDING REMARKS:

9.1 Stimulate awareness of brands:

As quickly and easily spreading of massage when regular posting by the brands on social media sits develop interface among the social mediausers.

9.2 Increase willingness of customer for purchasing:

Confidence is shown by the social media user for purchasing the products and services when information comes from reliablesources like friends and relatives.

9.3 Develop customer loyalty:

It enables the customer for purchasing anywhere by a singleclick increases customer loyalty. It builds new contacts and strengths existing contracts on social media.

9.4 Deliver marketing perceptions: After getting the responses of customers on social media sites companies get the observations of customer’s choice, recommendations and advice for brands, products and services.

References:


Mady, Tarek T. 2011 “Sentiment toward marketing: Should we care about consumer alienation and readiness to use technology” *Journal of Consumer Behavior* 10: 192-204.


Appendix

Questionnaire

Name:

1- Which age group do you belong?
   - 18 to 25 years
   - 26 to 35 years
   - 35 to 45 years
   - 46 to 55 years
   - 56 to 65 years
   - 66 years and above

2- Gender
   - Male
   - Female

3- What is your profile?
   - Student
   - Employee
   - Businessman
   - House wife

4- How will rate psychological experience of products gained by social media marketing on the basis of value?
   - High
   - Moderate
   - Low

5- Which social media site you often use?
   - Social Networking sites (Facebook)
   - Micro blogging (Twitter)
   - Social Bookmarking sites/Social news (Reddit, Digg)
   - Photo and video sharing sites (eg. Flickr, Youtube)

6- What is the most efficient awareness you get form the prejudgement of product by social media marketing?
   - Variety of product range
   - Quality of available products
   - Prevailing price of products
   - Benefits from products
   - Rating of the products

7- Which is the most valuable information you get form updates and alerts of brand and products by social media marketing?
   - Evaluating new opportunities
   - Introduction of new brands and products
   - Modification in the existing brands and products
   - Brands and products out of the market

8- Which is the most effective group in social media marketing to increase the group awareness?
   - Family group
   - Friendship group
   - Formal social group
   - Reference group
9- How much efficient role of social media marketing is for goodwill generation?
   - High
   - Moderate
   - Low

10- Do you agree that purchasing on e-commerce is a time saving process?
    - Agree
    - Somewhat agree
    - Neutral
    - Somewhat disagree
    - Disagree

11- Do you agree that global products are available for purchasing on e-commerce?
    - Agree
    - Somewhat agree
    - Neutral
    - Somewhat disagree
    - Disagree

12- Do you agree that more choices of products are available for purchasing on ecommerce?
    - Agree
    - Somewhat agree
    - Neutral
    - Somewhat disagree
    - Disagree

14- Do you agree that products can be purchase in reduced price on e-commerce?
    - Agree
    - Somewhat agree
    - Neutral
    - Somewhat disagree
    - Disagree

15- Do you agree that products can easily be accessed on e-commerce?
    - Agree
    - Somewhat agree
    - Neutral
    - Somewhat disagree
    - Disagree
Abstract
This paper presents the examination of the various aspects of the positive type of ethical consumption, namely ethical purchasing, in Greece. One stage area sampling resulted in 564 usable questionnaires, filled through personal interviews in the Thessaloniki urban area. K-Means cluster analysis was utilized to attempt a segmentation of the market based on consumers’ engagement in ethical purchasing. Three clusters were indicated, which were accordingly named Indifferent, Followers and Advocates. A selected set of demographic and personality variables were chosen to assist in an effort to fumble the ethical consumers’ profile. It was indicated that middle aged, well educated women, who are politically alive and share post-materialistic values more than their counterparts do, are more likely to enhance positive ethical consumption.

INTRODUCTION
Ethical consumption is a relatively new topic within the marketing academic community. Although its roots might be found back in the seventies, it has not yet found its place in the mainstream of the marketing research agenda (Harrison et al., 2005). However, there is a small but dynamic academic stream addressing the challenge to understand this type of consumption better (Michelletti et al., 2005; Newholm and Shaw, 2007; Papaoikonomou et al., 2011) Cowe and Williams (2000, p. 2) asserted that, "shoppers are highly aware of ethical issues and many are ready to put their money where their morals are". De Ferran and Grunert (2007) also believe that moral values will be a significant driving force of the buying and/or not-buying behaviours among consumers of the western societies in the future.

Ethical consumption is understood as the type of consumption that aims at the overall social welfare, as it does not concern merely individual satisfaction of needs and wants (Crane, 2001; Tallontire et al., 2001). There are three types of ethical consumption: a) the positive type (choose eco-friendly and fair products, prefer firms that take care of fair labour conditions) b) the negative type (boycotting unethical products or firms) as suggested by Tallontire et al. (2001) c) the discursive type (digital communication about consumption issues) as suggested by Michelletti et al. (2005).

The positive ethical consumption is the most interesting one of course, in terms of a marketing viewpoint. This, first type, of ethical consumption has been suggested as a rather broad concept, including buying, eco-friendly and fair products (Tallontire et al., 2001), recycling, repair, reuse as well as donate, volunteer etc. (Delistavrou and Tilikidou, 2012). The part of the ecologically related consumer research has obviously gained most of the researchers’ attention the last three or four decades, while examination of the overall concept of positive ethical consumption has been rather neglected so far (Delistavrou and Tilikidou, 2012).

With regards to the antecedents of positive ethical consumption, attitudes have attracted the larger part of the researchers’ attention so far. Of course, demographical analysis too is always present in any research effort. On the contrary, the psychological aspect of the ethical consumers’ profile has been rather neglected by the ethically related research. In overall, the literature review indicates that the research so far has been inconclusive in terms of generating a detailed profile of ethical consumers.

The research design of this study aimed to understand better the various aspects of the first, positive type of ethical consumption as well as to focus on a selected set of personality variables that might hopefully enlighten the psychological aspect of the Greek ethical consumers’ profile.

REVIEW OF THE LITERATURE
There have been some studies (e.g. Creyer and Ross, 1997; Mohr et al., 2001; Fernandez-Kranz and Merino-Castello, 2005; Delistavrou and Tilikidou, 2012), which indicated a considerable segment of consumers ready to prefer firms that are socially responsible towards the natural and the human environment. Unfortunately, the actual global market share for these products is much more limited than what the studies suggested (Boulstridge and Carrigan, 2000; Cowe and Williams, 2000; Carrigan and Attalla, 2001; Tilikidou, 2013). Cowe and Williams (2000) more than a decade ago, underlined that although most surveys reveal that
around 30% of the population is particularly motivated to buy ethical products, these products make up only fewer than 3% of their individual markets. This phenomenon has been named the “30:3 syndrome” in ethical consumption (30% of population reported ready to buy ethically featured products, but these products typically account for 3% of the market share). Not surprisingly, there has been an ongoing debate about the predicting validity of attitudes, as attitudes are often not translated into action (Carrigan and Atalla, 2001; Sheeran, 2002; Papaokonomou et al., 2011), particularly when the behaviour under examination is a socially desirable one (Peattie, 1995, p. 154; Shrum et al., 1995; Thørgersen and Ölander, 2003; Tilikidou, 2013). However, the so far literature provides a rather secure body of knowledge with relevance to attitudes. It is only reasonable to accept that a certain increase in positive attitudes towards ethical issues is going to provide another (not linear, but certainly positive) increase in ethical consumption patterns.

With regards to demographics, there has been a number of studies indicating that the ethical consumer is often female and of a relatively high educational status (e.g., Roberts, 1996; Diamantopoulos et al., 2003). Tilikidou (2001; 2007), as well as Tilikidou and Delistavrou (2005, 2006, 2008) have many times found that Greek ecological consumers are better educated and hold relatively better incomes than their counterparts do.

As mentioned in the introduction, the attempts to explain ethical consumer behaviour on the grounds of the consumer’s personality have been quite limited as yet. Green consumers, over time, have been found to be opinion leaders and careful shoppers (Shrum et al., 1995) or innovative (Bhate and Lawler, 1997; Bhate, 2001), extroverted, and guided by self-fulfilment values (Fraj and Martinez, 2006).

Tilikidou and Delistavrou (2005) adopted Paulhus’ (1983) Sociopolitical Control Scale and Ger and Belk’s (1996) Materialism scale and they have found that Greek ecological buyers are politically active and anti-materialists. There has also been a very interesting path of a very few researchers who adopted Inglehart’s (1977; 1979) post-materialism scale. Inglehart and Abramson (1999) argued that economic development and security of survival diminish the materialistic emphasis on possessions and therefore people increasingly emphasize post materialistic goals such as freedom, self-expression and the quality of life. Stole et al. (2005) adopting Inglehart’s suggestions, hypothesized that the shift toward post-materialistic values (concerns for the environment, values of equality and personal integrity, inclusion of minorities, human rights, etc.) motivates political consumerism. Nelissen and Scheepers (1992) chose to use the items of Inglehart’s (1977; 1979) post-materialism that refer to political value priorities and found that “sensitive” people are indeed attracted to post-materialistic values (Scheepers and Nelissen, 1989); however they also found that their expectation that conscious ecological behaviour would be motivated by post-materialism turned out to be falsified (Nelissen and Scheepers, 1992).

RESEARCH OBJECTIVES

Taking into consideration the findings of the literature review it was hypothesized that there is a niche ethical consumers’ segment in the Greek market. This segment is assumed to be rather small as Greece is suffering from a severe economic crisis for a considerable number of years now. Nevertheless, in this study ethical consumers are assumed to make buying choices influenced by ethical criteria; they are also expected to be politically active people sharing post-materialistic values. Therefore, the following two objectives were set:

• To investigate the degree up to which Greek consumers are engaged in all behavioural choices of positive ethical consumption
• To explore the number and the size of consumer segments on the basis of their engagement in positive ethical consumption
• To explore the impact of locus of control as well as the impact of post-materialism on positive ethical consumption

METHODOLOGY

A survey was conducted in the urban area of Thessaloniki, Greece. The sampling method was a combination of the one stage area sampling method (Tull and Hawkins, 1993, p. 544; Zikmund 1991, p. 471). The procedure ended in 564 useable questionnaires. The instrument was a structured questionnaire and respondents were approached through personal interviews.

Positive Ethical Consumption (PEC) was measured on a 7-point frequency scale where: 1=Never, 2=Very Rarely, 3= Rarely, 4=Occasionally, 5=Often, 6=Very Often and 7= Constantly. Locus of control was examined with the Sociopolitical Control Scale of Spheres of Control (Paulhus, 1983). The scale is comprised of 10 items and examines “the consumers’ perceptions about their own ability to affect and control the national and global sociopolitical evolutions” (Robinson et al., 1991, p. 428). Following Nelissen and Scheepers (1992) 4 items of the Inglehart’s (1977; 1979) Post-materialism Scale were adopted, those items that “refer to political value priorities”. Both the personality variables were measured on 7-point Likert scales from 1=Strongly Disagree to 7= Strongly Agree.
RESULTS

**Parametric Analysis**

The Positive Ethical Consumption scale (PEC) provided a Cronbach’s alpha of 0.900, which indicates exemplary reliability. As PEC is measured on a range of 19-133 and provided a Mean of 66.56 (S.D. = 21.36), it indicates that consumers rarely get engaged in ethical buying choices. Greeks quite often buy energy efficient bulbs; they also often recycle while they occasionally repair and reuse already used products and/or packaging. Occasionally too they buy traditional products and free range eggs and poultry (see Appendix, Table 1).

The Socio-political Control Scale (SCS) indicated a Cronbach’s alpha of 0.675; it takes theoretical values from 10 to 70, provided a Mean of 39.81 (S.D. = 8.74), which is exactly an average score.

The Post-Materialism scale (PM) indicated a Cronbach’s alpha of 0.908; it takes theoretical values from 4-28 and with a Mean of 20.60 (S.D. = 6.32) indicated that the respondents somewhat agree to post-materialistic values.

One-Way ANOVAs were then employed in order to investigate any differences in PEC across the categories of each demographical variable. Statistically significant relationships were established between PEC and gender (women, p<0.05), age (45-54, p<0.05) and education (post-graduates, p<0.01).

Pearson’s parametric correlations were applied and statistically significant relationships, all positive but weak, were indicated between PEC and SCS (r=0.01), and PEC and PM (r=0.153).

**Cluster analysis in PEC**

The K-Means cluster analysis was utilized in order to explore the number and the size of consumer segments on the basis of their engagement in positive ethical consumption (see Appendix, Table 1); this technique classifies cases into relatively homogeneous groups, indicating distinct for each group degree of involvement in the behaviour under examination (Malhotra, 1999, p. 610). The first cluster grouped 196 cases (34.75%) of those consumers, who obtained the lower scores in all items of PEC and thus they were named “Indifferent”. The second one grouped 224 cases (39.72%) of those consumers, who obtained average scores in all items of PEC with the exception of the “reuse a product or its packaging” item (P18), in which they indicated a higher score than their counterparts did. Consumers in the second cluster were named “Followers”. Those consumers obtained relatively low scores in all purchasing items except the items referring to energy efficient bulbs, traditional products and free range eggs, which are moderate, while their scores in recycling, reuse and repair are relatively high. The third cluster is the smallest one as it grouped 144 consumers (25.53%), who obtained the highest scores in all items. Consumers in the third cluster were named “Advocates”. It was observed that “Advocates” declared to buy very often energy efficient bulbs (P16) and they are very frequent recyclers (P17). They often buy free range eggs and poultry (P08) and local traditional products (P12), organic honey (P03), olive oil (P05), fruits, vegetables and legumes (P02, P07) (see Appendix, Table 1).

The Mean scores of the psychographic variables were calculated separately in each cluster. It is observed (see Appendix, Table 2) that the Socio-political Control Scale and Post-Materialism scale obtained slightly higher Mean scores (41.22 and 21.59 respectively) in the Advocates’ cluster than in the other two clusters.

CONCLUSIONS AND DISCUSSION

The results of this study indicated that in overall Greeks make ethical buying choices rather rarely. It seems that post-graduate women, 45-54 years of age are those who enhance positive ethical consumption. As expected, there is a rather small segment in the market of consumers, who are influenced by ethical criteria in their purchasing behaviour, more than their counterparts do. However, it is to be mentioned that even those “Advocates” consumers adopt ethical choices very often, solely in cases like buying energy efficient bulbs or recycling. In fact, you can hardly find any old type bulbs anymore in the market while recycling is no more a novelty; it is well established in all neighborhoods. Further, it is to be discussed if frequently adopted choices, like buying free range eggs and traditional local products, should be considered as true ethical consumption or just habits of a conservative society. Even “Advocates” reported to adopt rather occasionally all other behaviours, like buying organics, ecological detergents and toiletry. Taken into account that a limitation of this study is a certain social desirability effect - which is always present in the socially sensitive research topics - it has to be acknowledged that ethical consumption is far away from the mainstream in the Greek market. In addition, it has been many times reported that ecological or ethical products are considered to be more expensive than their conventional alternatives (ICAP, 2007, p. 5; Tilikidou and Delistavrou, 2014); in this sense, significant potentials of considerable increase in the ethical market could not and should not be expected in the near future, as long as Greece is still in the era of recession.

With regards to the psychographic profile of ethical consumers - the results indicated that these are politically alive citizens, who believe in their power to influence politics and politicians to an extent more than their counterparts do. Further, it seems that their ethical choices are affected by the post-materialistic values in a (somehow) stronger extent, than their counterparts are. Ethical consumers value freedom of speech, people’s say
about the governmental decisions, a friendlier, less impersonal society and a society where ideas are considered more important than money. However, it is to be noted that the rather weak correlations between the selected personality variable and behaviours leave much to be desired by future similar research efforts.

IMPLICATIONS

Two decades ago, Litvan (1995) argued that no matter how much ecologically concerned the consumers may be, it is questionable if anyone is going to engage in ecological consumer behaviour of any type, unless satisfying choices are being offered by the appropriate marketing mix. The results regarding organics’ purchases seem to verify the above argument as their prices are approximately 30% higher than the conventional products’ prices are (ICAP, 2007, p: 5). Considering the dramatic decrease of the Greeks’ annual income, organic producers should take measures to reduce organics’ prices.

In overall, the results of this study might be found particularly useful to business companies, which honestly aim to adopt ethical practices as a competitive advantage in order to target the ethical consumers segment. Ethical marketing managers should learn more about well educated, middle aged women, who are socially sensitive and politically involved, as these are more likely to become their willing customers.

Corporate social responsibility mission and objectives should productively use the consumers’ values about the kind of society they desire and also about their needs and wants related to locus of control over politics and politicians. In fact, business goals should be promoted as contributions to a friendlier, warmer, less impersonal society, where persons and ideas matter more than money and where political evolutions occur under people’s control.

Consequently, the marketing effort to build an ethical profile should be based on the insights of locus of control and post-materialistic values. Corporate communication strategies should inspire citizens to feel empowered to actively take part or at least influence business decisions. In this sense, consumers - instead of being passive receivers of communication messages - might feel factors of negotiation and eventually co-creators of the featured by a firm ethical profile. In addition, the consumers’ post-materialistic values should be strengthened by governmental and non-governmental associations, groups and organizations that aim to motivate ethical consumption.

REFERENCES


Table 1: Positive Ethical Consumption: items’ descriptives and K-Means Cluster Centers

<table>
<thead>
<tr>
<th>Positive Ethical Consumption</th>
<th>Whole sample</th>
<th>Cluster Centers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Std. Dev.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P01 Buy organic wine</td>
<td>2.63</td>
<td>1.718</td>
</tr>
<tr>
<td>P02 Buy organic fruit and vegetable</td>
<td>3.19</td>
<td>1.836</td>
</tr>
<tr>
<td>P03 Buy organic honey</td>
<td>3.47</td>
<td>2.042</td>
</tr>
<tr>
<td>P04 Buy organic pasta</td>
<td>2.56</td>
<td>1.697</td>
</tr>
<tr>
<td>P05 Buy organic olive oil</td>
<td>3.47</td>
<td>2.055</td>
</tr>
<tr>
<td>P06 Buy organic milk</td>
<td>2.65</td>
<td>1.843</td>
</tr>
<tr>
<td>P07 Buy organic legumes</td>
<td>2.90</td>
<td>1.928</td>
</tr>
<tr>
<td>P08 Buy free range eggs and poultry</td>
<td>4.18</td>
<td>1.945</td>
</tr>
<tr>
<td>P09 Buy ecological detergents</td>
<td>2.94</td>
<td>1.850</td>
</tr>
<tr>
<td>P10 Buy recycled paper products</td>
<td>3.19</td>
<td>1.874</td>
</tr>
<tr>
<td>P11 Buy ecological toiletry</td>
<td>2.93</td>
<td>1.937</td>
</tr>
<tr>
<td>P12 Buy local traditional products</td>
<td>4.45</td>
<td>1.700</td>
</tr>
<tr>
<td>P13 Buy Fair Trade products (e.g. coffee, sugar, drinks, etc.)</td>
<td>2.65</td>
<td>1.902</td>
</tr>
<tr>
<td>P14 Use fabric bags for shopping</td>
<td>3.24</td>
<td>1.970</td>
</tr>
<tr>
<td>P15 Buy products and services that have been produced or/and delivered by companies adopting Corporate Social Responsibility (charity, sponsorship to societal tasks, hygiene and safety programmes, volunteerism and environmental protection programmes)</td>
<td>3.13</td>
<td>1.767</td>
</tr>
<tr>
<td>P16 Buy energy efficient bulbs</td>
<td>5.32</td>
<td>1.738</td>
</tr>
<tr>
<td>P17 Recycle the recyclable packaging</td>
<td>5.07</td>
<td>1.883</td>
</tr>
<tr>
<td>P18 Reuse a product or its packaging waste instead of throwing it to the rubbish (food cups, bags, wrapping paper etc.)</td>
<td>4.14</td>
<td>2.016</td>
</tr>
<tr>
<td>P19 Repair or maintain used products instead of replacing them with new (clothes, furniture, electrical equipment, linen etc.)</td>
<td>4.44</td>
<td>2.000</td>
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</table>

Table 2: Means of SCS and PM across Clusters of Positive Ethical Consumption

<table>
<thead>
<tr>
<th></th>
<th>Cluster 1</th>
<th>Cluster 2</th>
<th>Cluster 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Std. Dev.</td>
<td>Mean</td>
</tr>
<tr>
<td>Sociopolitical Control Scale (SCS)</td>
<td>38.30</td>
<td>9.205</td>
<td>40.22</td>
</tr>
<tr>
<td>Post-Materialism (PM)</td>
<td>19.61</td>
<td>6.295</td>
<td>20.83</td>
</tr>
</tbody>
</table>

APPENDIX
Strategies to Normalise Pro-Environmental Behaviour on the Coastline

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Abstract

This paper focuses on the strategies developed by coastline organisations to normalise pro-environmental behaviours (PEB). It is designed to fill a gap regarding the strategies to normalise PEB. Indeed, research has identified several typologies like 4Ps to change PEB but their influence on the normalisation of behaviours has not actually been considered. Hence, in this research, descriptive norms (what other people do) and injunctive norms (what people ought to do) are mobilised to understand how strategies can normalise PEB. A qualitative method, involving interviews with 17 experts, was used to identify the strategies developed by their organisations and how these influence the normalisation of behaviours. Results highlight that they do not mobilise normalisation directly but take it into account through other strategies: communication, education, labels and laws to explain to coastline users what they ought to do and “users’ commitment” and “actors’ exemplarity” to show them what others do in similar situations. Results also suggest that mixed-strategies could be considered as strong strategies to normalise PEB, whereas unique strategies could be considered as weak strategies.

Keywords: Pro-environmental behaviour, social marketing, marketing mix, normalisation, social norms

The coastline, interface between land and sea, offers a luxurious biodiversity showing many specific ecosystems. At the same time, however, it helps promote many economic activities (e.g., fishing, transport, tourism) that make it an extremely coveted territory brought under extreme pressure by human activities. Alarmingly, the European Environment Agency contends that the increase in artificial surfaces along European coasts occurs at a rate 30% higher than that of the interior. The NGO Surfrider Foundation claims that by 2050, the world coastal population is expected to double. The European Environment Agency highlights the case of the Mediterranean, which has already experienced a 50% artificialisation of its coastline, and suffers from water scarcity and drought problems. The purpose of this study is to increase understanding of the social norms role in strategies that may influence the pro-environmental behaviours (PEB) of coastline users. To this end, we conducted a qualitative research study with coastline protection experts. In the first part of this paper, we introduce our theoretical framework: social norms and marketing strategies for PEB. Then, we present our methodology and our findings. The paper concludes with a discussion and suggestions for future research.

1. THEORETICAL FRAMEWORK

In order to influence PEB, numerous strategies or tools have been implemented by social marketing. Even the traditional marketing mix (4 Ps : Product, Price, Place, Promotion) is still used (Lee & Kotler 2011), more specific strategies have been proposed. In the field of public policies, instruments identified, such as the NATO typology (Hood 1983; Hood & Margetts 2007), are close to 4Ps but complete it with “authority”. This typology defines tools in four types: nodality (information collection and release), authority (command and control regulation), treasure (grants and loans), and organization (direct provision of goods and services and public enterprises). In community-based social marketing, social tools have been added to the 4Ps (commitment prompts, norms, social diffusion) (McKenzie-Mohr 2013), (see Appendix 1).

Table 6: Marketing Mix for social marketing and public management
Indeed, numerous research studies have clearly established the main role of social norms in changing PEB (Cialdini et al. 1990; Schultz et al. 2007; Goldstein et al. 2008). Social norms result from other people and are “guidelines, principles for action, or controls for behaviour as provided by a particular social group” (Varman & Costa 2008). Three kinds of social norms have been distinguished: subjective, descriptive, and injunctive norms. 

Subjective norms have been used in the Theory of Planned Behaviour (Ajzen 1991). They are determined by beliefs about the extent to which important others want people to perform a particular behaviour (normative beliefs, e.g., “My friends think that I should engage in this PEB”) multiplied by one’s motivation to comply with those people’s views (e.g., “I generally want to do what my friends think I should do”) (Rivis & Sheeran 2003). Injunctive norms refer to what individuals ought to do. They give information regarding what is approved or disapproved (Cialdini et al. 2006). They are often used by government or local authorities to inform citizens of behaviours that are permitted and forbidden (Cialdini et al. 2006) or by NGOs and associations to explain what is approved or disapproved regarding the goal of protecting the environment (White & Simpson 2013). Hence, they define advocated behaviour. Their effects on PEB are controversial. They often depend on moderator variables like mood, regulatory focus or collective/individual self-activated (Melnyk et al. 2011; White & Simpson 2013).

Descriptive norms reflect what others do in a specific situation. Research has shown that people consider what others do to align their behaviours (see the meta-analysis in Melnyk et al. 2010; Melnyk 2011). Hence, descriptive norms are a powerful tool to influence behaviours. Two types of “others” have been identified: one’s social group (Varman & Costa 2008; Moraes et al. 2012) and the majority (Burchell et al. 2013; Rettie et al. 2014). Both have positive effects on PEB (Bamberg & Möser 2007) if the highlighted descriptive norms are aligned on the advocated behaviour (Cialdini et al. 2006; Schultz et al. 2007). Descriptive norms are particularly used in the social norm approach (SNA), which has its origins in social psychological theories of conformity. According to those theories, people tend to act like others (see for example Perkins et al. 2010). The SNA is described as prevention and focuses on people’s misperceptions concerning what others do (Linkenbach & Perkins 2003). Thus, SNA campaigns aim at shaping behaviours by explaining what the majority really do in a similar situation (Burchell et al. 2013). Those campaigns have been frequently implemented to promote health and safety behaviours and, less often, to the best of our knowledge, for PEB. Recently, a typology of PEB has been proposed. It is based on two criteria: perception of behaviour as normal and as green (Rettie et al. 2014). We consider thus that perception of behaviour as normal is connected to descriptive norms, whereas perception of behaviour as green is connected to injunctive norms. In this study, we mobilized both injunctive norms (advocated behaviours) and descriptive norms (behaviours adopted by the majority).

Consequently, a novel way to enhance PEB would be to consider the perception of the behaviour as normal (in the double sense of descriptive and injunctive norms) as an antecedent of PEB. From this point of view, the main objective of environmental strategies might be to normalize PEB. Hence, our research question is: Which environmental strategies can normalize PEB? How can they be implemented for enhanced effects?

2. METHODOLOGY

Our research field is the coastline. A qualitative method was chosen because of the exploratory goals of our research. Those goals were to identify normal and not normal PEB on the coastline and the strategies from environmental protection organizations that have influenced these normalisations. Expert interviews were conducted because experts are in the best position to describe strategies and their results; they have specific capacities and interpretative knowledge for a certain field (Flick 2009). Furthermore, as the field (coastline

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>Product</td>
<td>Goods and services</td>
<td>Organization</td>
</tr>
<tr>
<td>Price</td>
<td>Price</td>
<td>Incentives and disincentives</td>
<td>Treasure</td>
</tr>
<tr>
<td>Place</td>
<td>Place</td>
<td>Convenience</td>
<td>Organization</td>
</tr>
<tr>
<td>Promotion</td>
<td>Promotion</td>
<td>Communication</td>
<td>Nodality</td>
</tr>
<tr>
<td>Other strategies</td>
<td></td>
<td>commitment, prompts, norms, social diffusion</td>
<td>Authority</td>
</tr>
</tbody>
</table>

Indeed, numerous research studies have clearly established the main role of social norms in changing PEB (Cialdini et al. 1990; Schultz et al. 2007; Goldstein et al. 2008). Social norms result from other people and are “guidelines, principles for action, or controls for behaviour as provided by a particular social group” (Varman & Costa 2008). Three kinds of social norms have been distinguished: subjective, descriptive, and injunctive norms. Subjective norms have been used in the Theory of Planned Behaviour (Ajzen 1991). They are determined by beliefs about the extent to which important others want people to perform a particular behaviour (normative beliefs, e.g., “My friends think that I should engage in this PEB”) multiplied by one’s motivation to comply with those people’s views (e.g., “I generally want to do what my friends think I should do”) (Rivis & Sheeran 2003). Injunctive norms refer to what individuals ought to do. They give information regarding what is approved or disapproved (Cialdini et al. 2006). They are often used by government or local authorities to inform citizens of behaviours that are permitted and forbidden (Cialdini et al. 2006) or by NGOs and associations to explain what is approved or disapproved regarding the goal of protecting the environment (White & Simpson 2013). Hence, they define advocated behaviour. Their effects on PEB are controversial. They often depend on moderator variables like mood, regulatory focus or collective/individual self-activated (Melnyk et al. 2011; White & Simpson 2013).

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2. METHODOLOGY

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protection) is not very common in social marketing, expert interviews constituted an appropriate method (Bogner & Menz 2002 cited by Flick 2009) to meet our goals. Experts representing public service and associations were chosen. A total of 17 face-to-face interviews were conducted with a fair representation of public service and associations and of the geographical level of intervention. Of all interviewees, 13 work in an organization whose main object is environmental protection, and 4 work in organizations that are not focused on environmental protection but that have to take it into consideration (e.g., harbours). A semi-directive interview guide was used with three principal topics: environmental issues, PEB, and implemented strategies. All interviews were transcribed and coded with NVivo software. An inductive method was employed as categories were created from data. This method is close to the principles of grounded theory (Glaser & Strauss 1967). The three stages of grounded theory coding (open, axial, and selective) were respected (Strauss & Corbin 1998).

3. RESULTS

Concerning the strategies implemented to promote or prevent certain behaviours, participants’ answers were very rich. They mentioned nine different strategies: education, communication, price, technical solutions (e.g., land-use planning, innovative new products), convenience and availability, laws, labels, users’ commitment, and exemplarity.

Table 7: Strategies evoked by coastline protection experts

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Number of respondents</th>
<th>Number of references</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical solutions</td>
<td>13</td>
<td>78</td>
</tr>
<tr>
<td>Prices</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Convenience, availability</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>Communication</td>
<td>16</td>
<td>234</td>
</tr>
<tr>
<td>Laws</td>
<td>14</td>
<td>89</td>
</tr>
<tr>
<td>Labels</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>Users’ commitment</td>
<td>10</td>
<td>40</td>
</tr>
<tr>
<td>Actors’ exemplarity</td>
<td>6</td>
<td>26</td>
</tr>
<tr>
<td>Education (children)</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>17</td>
<td>632</td>
</tr>
</tbody>
</table>

This typology contains elements from typologies presented in the theoretical framework. The 4Ps have been evoked through technical solutions (products), prices, convenience and availability (place) and communication. Five other strategies have been detailed: laws, labels, users’ commitment, actors’ exemplarity and education. These results show that some solutions are clearly mentioned more often by respondents; for example, communication has been mentioned 234 times and by 16 experts, whereas prices were mentioned 5 times and by only 3 experts. Hence, some solutions look more consensual or more implemented than others. Then we sought to identify the place of social norms. Interviewees did not mention normalisation as a type of strategy to change behaviour. Nevertheless, it appears that some strategies are employed as injunctive or descriptive normalisation.
Table 8: Strategies employed to normalise behaviour

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Injunctive norms (advocated behaviour)</th>
<th>Descriptive norms (make perception of behaviour as normal)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical solutions</td>
<td>Communication (e.g., signs) explains what is advocated and why adopting PEB is necessary</td>
<td></td>
</tr>
<tr>
<td>Prices</td>
<td>Education explains what is advocated and why adopting PEB is necessary</td>
<td></td>
</tr>
<tr>
<td>Convenience, availability</td>
<td>Laws define the rules on the coastline</td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>Users are encouraged to participate in local projects. Inhabitants are encouraged to act like models for tourists.</td>
<td></td>
</tr>
<tr>
<td>Education (children)</td>
<td>Educators define PEB</td>
<td></td>
</tr>
<tr>
<td>Laws</td>
<td>Local authorities’ staff acts exemplary to encourage users to do so. Harbour managers maintain a clean and pleasant environment to enhance PEB.</td>
<td></td>
</tr>
<tr>
<td>Users’ commitment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actors’ exemplarity</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

We observe that normalisation is not implemented intentionally but is present through different strategies. Hence, injunctive norms are reflected in communication, education and laws, whereas descriptive norms are reflected in users’ commitment and actors’ exemplarity. Six strategies are thus used to normalise PEB. Finally, even though research highlights their benefits, descriptive norms are not used in communication.

To deepen the analysis, we chose to focus on four behaviours that are accepted by most participants as being “(a) normal behaviours”. Two of them are adopted by the majority of participants: using a careening area and no walking over sand dunes. Two of these behaviours are not adopted by the majority of participants: disposing responsibly of end-of-life boats and no biking on coastal paths. We thus analysed the participants’ comments to find the strategies implemented for our four behaviours.

Table 9: Strategies implemented to normalise behaviour

<table>
<thead>
<tr>
<th>Behaviour perceived as normal</th>
<th>Advocated behaviour</th>
<th>Strategies or lack of strategies mentioned by the experts to promote the behaviour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Using a careening area</td>
<td>Technical solution (create a careening place) Price (incentive) Convenience (accessibility and proximity) Communication (inform boaters through guides or on the web of advocated behaviour) Laws</td>
</tr>
<tr>
<td>Yes</td>
<td>No walking over the sand dunes</td>
<td>Technical solution (create routes on the sand dunes) Communication (implement injunctive and informative signs) Laws</td>
</tr>
<tr>
<td>No</td>
<td>Disposing responsibly of end-of-life boats</td>
<td>Laws No acceptable technical solution in terms of price No information about the obligation to demolish boats responsibly</td>
</tr>
<tr>
<td>No</td>
<td>No biking on coastal paths</td>
<td>Laws Lack of technical solutions: land-use planning (barriers) Not enough communication (signs) Not enough exemplarity from local inhabitants</td>
</tr>
</tbody>
</table>
A key finding is that PEB, which are supported with one strategy only, are not yet perceived as normal, whereas several strategies have been implemented for behaviours that are today perceived as normal. Participants emphasized that other strategies should be implemented (technical solutions that are acceptable in terms of price and information for “Disposing responsibly of end-of-life boats” and land-use planning, communication, exemplarity for “No biking on coastal paths”) to enhance these two PEB.

Hence, it appears that when organisations implement one strategy only, it is not enough to be effective. We can assume that a mixed strategy that provides users with different kinds of information in favour of the advocated behaviour will be more likely to be anchored as a norm in the given situation, whereas a unique strategy is too weak to normalise behaviour. Moreover, 4Ps may be not sufficient to normalise behaviour, it has to be supported with social norms strategies. Considering our two “normal” behaviours, social norms are provided by communication and laws but, as the previous table showed, other tools could be implemented.

4. DISCUSSION

In this paper, based on the literature, we assumed that social norms (descriptive, and injunctive norms) could influence PEB positively. Hence, the perception of PEB as normal (adopted by the majority as in descriptive norms and appropriate as in injunctive norms) is a fundamental antecedent of PEB. Our goal was to understand the extent to which strategies including social norms influence PEB. We thus identified strategies used by the stakeholders in coastline protection. Nine strategies were identified: education, communication, price, technical solutions (land-use planning, innovative new products, etc.), convenience and availability laws, labels, users’ commitment, and exemplarity. Some of these are close to strategies of community-based social marketing (McKenzie-Mohr 2013) such as technical solutions (product), prices, place (availability, commodities) and communication; others are close to NATO typology (Hood 1983; Hood & Margetts 2007) such as laws, communication, prices, and technical solutions. However, it is worth noting that our experts did not mention social norms as a strategy to influence PEB. There seems to be a gap between research findings that have clearly identified the influence of social norms and the lack of mentions by stakeholders. We suppose that the belief of a low influence of social norms is also valid for coastline protection actors. They do not mention this directly but they implement it through other strategies like communication, education, laws (for injunctive norms) and users’ commitment and their own exemplarity (for descriptive norms).

This study contributes to the field as previous research on the normalisation of PEB did not focus on strategies and how they can be used. Recent research proposes strategies which aim at (re)positionning PEB as green or normal (Rettie et al. 2012) but neither propose strategies to increase marketing mix tools to normalise behaviour. We have shown that six strategies may be used to normalise behaviour in injunctive or descriptive ways.

This study may also be useful for governmental and non-governmental organizations that aim at normalising PEB on the coastline. Even though they use tools in order to normalise PEB, they may not be aware of the power of social norms to enhance behaviour. However, research has particularly underlined positive effects of these. There is also a gap between normalisation tools mentioned and employed. They mention six tools but, when we focus on four behaviours, we determine that they do not use them all. Better or faster results may be obtained by implementing more tools.

The research presented here also has some limitations. As a qualitative research study, it does not assess to what extent these strategies are relevant and efficient. Besides, we have focused on four behaviours only. Hence, in future research, it would be worth conducting qualitative studies with coastline users to better understand their perceptions of PEB normality, their perceived benefits and costs of PEB, their attitudes towards the strategies used by organisations, and how these constructs shape their behaviours. It is necessary to explore the responses of users faced with different strategies of PEB normalisation. Experimentations could also be used to test the effectiveness of these tools. It may also be interesting to consider their congruent or conflicted effects.
References


Public funding and SME’s; investigating factors determining R&D and environmental projects at firm level

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Abstract

In this paper we investigate the effects of state aids in the form of public funding towards Greek SME’s throughout different instruments used for the period 2007-2013, to facilitate innovation and environmental protection, investing in R&D and environmental oriented projects. Based on an empirical research drawing data from 36 Greek SMEs in several sectors, our research contributes to the international debate on the effects of public funding and state aids in general, to the generation of innovations, improvement of competitiveness and the effectiveness of funding, according to the emerging needs of SMEs and individual characteristics. We argue that public funding, regarding Greek SMEs according to their different type, impacts positively, on achieving business objectives in almost all categories that business themselves pose and each individual program sets. These effects has found not to be related to the size of the surveyed enterprises, but have a strong correlation to the development stage of firms and their business planning and strategy. A well-designed public funding policy at national and European level, regarding R&D and environmental protection projects is needed, which will be able to identify different group of companies with similar needs and could strongly improve their effectiveness.

Keywords: state aids, public funding, SMEs, innovation, environmental protection

1. INTRODUCTION

In this paper we investigate the effects of state aids in the form of public funding towards Greek SME’s throughout different instruments used for the period 2007-2013, to facilitate innovation and environmental protection, investing in R&D and environmental oriented projects. Public funding, in the form of state aids, creates synergies between R&D and environmental protection, two factors which constitute a fundamental basis for SME’s to have access to finance and liquidity by national and European grant programs, especially under the context of the new programing period of 2014-2020 (European Commission, 2014). However, few empirical studies have been carried out into the effect of funding policies on SME development in Greece, and in particular, on those two types of activities. On the whole, this has been due to the complexity of the subject and the lack of sufficient information. Consequently, this paper has a twofold objective: firstly, to describe the factors determining the structure and aiming of different national and European funding programs aimed at SME’s; secondly, to present an empirical study of exactly how Greek SMEs, are using public funding to innovate and invest in environmental protection, together with an analysis of the effectiveness of this type of funding regarding the purpose of granted aids.

2. LITERATURE REVIEW

2.1 State aids in general

State aids, in accordance with Article 107, p.1 of the Treaty on the Operation of the EU (2012), means any economic advantage to entities that perform economic activity which cumulatively: a) Are granted through state resources, directly or indirectly, in any form, b) Is a favorable treatment only for certain enterprises or industries and c) Affect the inter-linked trade and distorts or threatens to distort competition between EU member states. Examples mentioned as possible forms of state aids are, grants, tax and insurance exemptions and reliefs, guarantees, interest subsidies, state contributions or participation in business capital, debt cut, their conversion into capital share, privatizations with more favorable market conditions, a favorable debt settlement, a favorable estimate by government agencies etc. Promoting R&D and innovation, is an important objective of common interest. The objective through state aids for R&D, pursuant to Regulation (EC) No.364/2004, as amended by (EC) No. 70/2001, is to improve economic efficiency, in order to contribute to sustainable growth and employment. Thus, state aids for R&D will be compatible if they can lead to additional R&D and innovations and if the distortion of competition is not considered contrary to the public interest, which the Commission
equates for the purposes of this framework with economic efficiency. Note that, this framework applies also to state aids for R&D in the environmental sector, since there are many synergies that can be exploited between innovation for quality and performance, to optimize the use of energy, waste management and security (European Commission, 2006; 2008).

2.2 Public funding and SME’s

The barriers that make financing for small- and medium-sized firms (SMEs) more difficult than for larger businesses have captured the attention of different stakeholders for a long time. The recent economic crisis and the harsh credit crunch triggered by a troubled banking sector have only reinvigorated the debate. From the EU to local governments, policymakers are increasingly targeting new ways to foster access to finance for SMEs, a sector that includes a large number of diverse businesses. This intrinsic diversity that characterizes SMEs and the multitude of actors involved make a comprehensive and exhaustive analysis of such policies extremely difficult (Infelise, 2014).

Literature has extensively discussed how economic activities carried out by SMEs present higher structural difficulties in securing their financing needs compared to large firms (Avery et al., 1998; Berger & Udell, 1995 and 1998; Gregory et al., 2005 and Vos et al., 2007). A root factor hampering SME finance is the idiosyncratic informational capacity that characterizes these businesses and specific sectors (Trigkas et al., 2012). SME financing is generally characterized by higher transaction costs due to several reasons: organizational features and business strategies generally do not allow them to communicate with the external business environment in the way that a firm accessing public financing would require. In addition, the great majority of these enterprises do not find the conventional tools employed by large companies that are able enough to draw conclusions considering the size and nature of the research and the high level of technical knowledge that is required. Data groups included awareness of Greek SMEs on several public funding programs and tools, use of relative funding, contribution of these aids to the achievement of business goals, assessment of the operation of several forms of state aids and finally the profile of the surveyed enterprises. Our analysis was made using descriptive statistics and correlation analysis and all the relative tests were made (Norussis, 2007; Siomkos and Vasilikopoulou, 2005).

3. METHODOLOGY APPLIED

Our research follows a bottom – up approach, based on the collection of primary data from SME’s themselves. For this purpose a specially structured questionnaire was developed (Norussis, 2007), in electronic form using the google forms application. The questionnaire was sent via email to enterprises of the Greek processing industries, trade, primary sector, energy production, constructions, transports, storage and financial services. A total of 36 completed questionnaires were collected, number able enough to draw conclusions considering the nature of the research and the high level of technical knowledge that is required. Data groups included awareness of Greek SMEs on several public funding programs and tools, use of relative funding, contribution of these aids to the achievement of business goals, assessment of the operation of several forms of state aids and finally the profile of the surveyed enterprises. Our analysis was made using descriptive statistics and correlation analysis and all the relative tests were made (Norussis, 2007; Siomkos and Vasilikopoulou, 2005).
4. RESULTS

Our results show that the majority of the surveyed firms’ (50%) have stated that during 2007 – 2013, had access to state aids in several forms regarding R&D and environmental protection projects, however a very significant percentage (44%) had no access to these grants. The use of such grants had led to different types of innovations. More specifically a 17% of the firms has managed to develop product innovations, a 22% process innovations and a 6% in marketing innovations. There is also a percentage of 11% of the surveyed firms which states that they were not able to develop any kind of innovation using public funding during the above mentioned period, which is considered to be quite significant. This result verifies previous research as mentioned to the literature review section, regarding the ambiguous effects of public funding to private innovations and crowding out effects. Furthermore, a very significant percentage (47%), has stated that environmental protection projects was not part of their R&D projects, with only a 28% of the surveyed enterprises to give positive answers.

![Figure 1: Use of public funding of Greek SMEs in developing innovations](image)

Table: Innovation Types and Access to Public Funding

<table>
<thead>
<tr>
<th>Innovation Type</th>
<th>Access to Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product innovation</td>
<td>17%</td>
</tr>
<tr>
<td>Process innovation</td>
<td>22%</td>
</tr>
<tr>
<td>Marketing innovation</td>
<td>6%</td>
</tr>
<tr>
<td>No innovation</td>
<td>11%</td>
</tr>
<tr>
<td>I don’t know</td>
<td>11%</td>
</tr>
<tr>
<td>N/A</td>
<td>11%</td>
</tr>
</tbody>
</table>

Elaborating further our analysis regarding the inputs used in the form of funding, it is observed that the majority of enterprises in the sectors’ surveyed (77.4%), directed their funding towards experimental development projects, with applied research projects to follow (59.3%). Showing a significantly lower percentage (11.1%), follow enterprises that moved towards investments related to basic research. Especially for projects related to environmental protection, of the total expenditures amount, a 19.04% was invested by enterprises towards this direction. This percentage is particularly important, although there could be a significant improvement in the absorption of funds, demonstrating a substantial turn to environmental protection, both as a means of improving efficiency and reducing the cost of doing business, and as an additional qualification for claiming extra funding.

In relation to the allocation by source of funding, about the 40% of enterprises received funding via NSRF and the Greek investment law and only a 6% from European sources directly. According to the answers given regarding the type of concrete results that businesses have achieved with the use of these types of public funding, the majority stated that this led to the improved products and processes (44%), establishment of quality control systems and certifications (ISO, ECO labeling, CE etc.) in a percentage of 33%, collaboration with Universities and Research centers in Greece and abroad (31%), with finding new markets in Greece and internationally and with participation in actions for acquiring knowhow and training of personnel to follow with a rate of 22% of businesses respectively. A little lower in the ranking stand the employment growth, under the context of jobs creation and the protection of intellectual property rights (patents, etc.), with rates of 14% and 11% respectively.

Of great importance are the results in the next category of questions relating to the evaluation of individual funding programs in relation to the type of the aids, their contribution to the achievement of businesses’ objectives (1=very much, 5=not at all). Based on the results, surveyed enterprises consider that the aid, contributed almost positive to the majority of their business objectives. Particularly, much of this positive effect was translated into their capability to adapt to market changes and overcoming the economic crisis (1.44), have access to the necessary liquidity (1.72), the improvement of quality of products and services (1.81), the acquisition of knowhow and sophisticated technology at a lower cost and improvement of investments in human capital through education and lifelong training (1.83 respectively), to create a friendly and flexible internal business environment and expand the scale of production through investments in machinery and other equipment (1.92 respectively), upgrading the internal organization of the enterprise (1.94) and maintain and increase the market share of the enterprise (1.97). In this evaluation also, targets that have some relation to environmental protection are lower in the ranking, but in general we can argue that they were assessed for their achievement with a relatively satisfactory rating. It is characteristic that, quite positively were evaluated the
achievement of saving energy and improving energy efficiency by penetration of renewable energy sources in the energy balance mix of the firms, the rational management of resources and integration of environmental commitments and requirements regarding health and safety of employees and customers and the design and production of new products with ecological orientation (score 2.33, respectively). Finally, we can consider as very important the achievement of reduction of production costs of products and provided services, which contributes essentially to increase competitiveness.

Correlation analysis has shown that there is a statistically significant importance of:

- The development stage of the SME’s and their funding by state aids, the investments of public funding in R&D and environmental protection projects and seeking of public funding as a part of their entrepreneurial strategy (Pearson correlation coefficient 0.335, 0.363 and 0.371 respectively, at a sig. level=.005, 2-tailed), while the size of firms played no crucial role.
- The number of employees with the lack of time and information about public funding (Pearson correlation coefficient 0.371 and 0.439 respectively, at a sig. level=.005, 2-tailed)
- The annual turnover and the lack of information regarding public funding (Pearson correlation coefficient 0.423, at a sig. level=.005, 2-tailed)

Finally, regarding the type of aid and its relation to the achievement of business goals, correlation analysis has revealed that there are numerous positive effects as shown to the next Table 1. Indicatively we mention the positive effects of subsidies to the reduction of production’s cost and the establishment of a friendly inter business environment, the positive effects of tax and insurance exemptions to the majority of the individual business goals such as, improvement of quality, enhancement of extroversion, confrontation of economic crisis, enhancement of investments, acquisition of knowhow at a lower cost, development of environmental friendly products, achievement of green public contracts etc. Finally, state aids in the form of several financial tools have positive effects on improvement of firms’ liquidity, confrontation of economic crisis, better business organization, expand of market share, and achievement of several environmental goals.

### Table 1: Correlations between different forms of state aids and achievement of business goals

<table>
<thead>
<tr>
<th></th>
<th>Improve ment of quality</th>
<th>Extrover sion</th>
<th>Lower costs</th>
<th>Establishment of a flexible and friendly inter business environment</th>
<th>Expansion of productonscal e</th>
<th>Adjustment to market changes and confrontation of economic crisis</th>
<th>Liquidity</th>
<th>Betterbusin essorganizing</th>
<th>Investments in human resources</th>
<th>Acquisition of knowhow and sophisticated technology at lower cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directsubsidy</td>
<td>.124</td>
<td>.223</td>
<td>.348</td>
<td>.444</td>
<td>.166</td>
<td>.187</td>
<td>.219</td>
<td>.241</td>
<td>.188</td>
<td>.166</td>
</tr>
<tr>
<td>Grants for leasing and other financial services</td>
<td>.195</td>
<td>.048</td>
<td>.290</td>
<td>.057</td>
<td>.258</td>
<td>.512***</td>
<td>.446**</td>
<td>.266</td>
<td>.433**</td>
<td>.202</td>
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<tr>
<td>Tax and Insurance exemptions</td>
<td>.359**</td>
<td>.420**</td>
<td>.262</td>
<td>.124</td>
<td>.324</td>
<td>.562**</td>
<td>.203</td>
<td>.325</td>
<td>.475**</td>
<td>.567**</td>
</tr>
<tr>
<td>Special credit interests and interests granting</td>
<td>.202</td>
<td>.135</td>
<td>.204</td>
<td>.251</td>
<td>.235</td>
<td>.516**</td>
<td>.549**</td>
<td>.444**</td>
<td>.350**</td>
<td>.393**</td>
</tr>
<tr>
<td>Preferential treatment of public agencies</td>
<td>.293</td>
<td>.304</td>
<td>.298</td>
<td>.265</td>
<td>.175</td>
<td>.357**</td>
<td>.213</td>
<td>.276</td>
<td>.315</td>
<td>.283</td>
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<tr>
<td>State funding regarding business capital</td>
<td>.139</td>
<td>.080</td>
<td>.251</td>
<td>.185</td>
<td>.151</td>
<td>.334**</td>
<td>.115</td>
<td>.389*</td>
<td>.316</td>
<td>.340**</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Biggermarketshare</th>
<th>Energy saving and use of RES in the energy mix of the firm</th>
<th>Sustainable resource management and commitments regarding safety</th>
<th>Designing and production of environmental friendly products</th>
<th>Lean and clean production method</th>
<th>Achievement of public contracts with environmental orientation</th>
<th>Creation of a strong business image and enhancement of CSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directsubsidy</td>
<td>.883</td>
<td>.304</td>
<td>.247</td>
<td>.216</td>
<td>.143</td>
<td>.402</td>
<td>.194</td>
</tr>
<tr>
<td>Grants for leasing and other financial services</td>
<td>.291</td>
<td>.188</td>
<td>.194</td>
<td>.301</td>
<td>.177</td>
<td>.528**</td>
<td>.502**</td>
</tr>
<tr>
<td>Tax and Insurance exemptions</td>
<td>.307</td>
<td>.323</td>
<td>.239</td>
<td>.477**</td>
<td>.434**</td>
<td>.625**</td>
<td>.390**</td>
</tr>
<tr>
<td>Special credit interests and interests granting</td>
<td>.330**</td>
<td>.208</td>
<td>.220</td>
<td>.402**</td>
<td>.385*</td>
<td>.416</td>
<td>.384*</td>
</tr>
<tr>
<td>Preferential treatment of public agencies</td>
<td>.342**</td>
<td>.132</td>
<td>.108</td>
<td>.285</td>
<td>.158</td>
<td>.705**</td>
<td>.534**</td>
</tr>
<tr>
<td>State funding</td>
<td>.283</td>
<td>.142</td>
<td>.089</td>
<td>.233</td>
<td>.171</td>
<td>.644**</td>
<td>.597**</td>
</tr>
</tbody>
</table>

554
CONCLUSIONS

In conclusion, we could argue that public funding, regarding Greek SMEs according to their different type, impacts positively, on achieving business objectives in almost all categories that business themselves pose and each individual program sets, as they are designed, such as: ensuring liquidity and tackling the economic crisis, developing innovations in products and services, strengthening competitiveness, networking and stimulating extroversion and finally enhancing environmental protection. These positive effects has found not to be statistically related to the size of the surveyed enterprises, but have a strong correlation to the development stage of firms and their business planning and strategy. This fact is considered as of exceptional significance, since it concerns the substance of the design of public funding and the results that finally achieved by the surveyed enterprises who received relative funding.

A relatively small proportion of enterprises fostered by European sources, were able to achieve a significant amount of funding. This result raises questions about access of SMEs to European funding programs, which are usually managing larger budgets. Hence, we can argue that Greek enterprises need smaller and more flexible European funding, according to their emerging needs, constituting a way to confront with competition from bigger European companies. Beyond the mere quantification of the amounts available for spending, and given the significant budget constraints that EU governments are facing, there is also an increasing need to have a better targeted use of these limited resources. A qualitative assessment should be also considered on this issue. As today, the fragmentation of several initiatives across an enormous group of vaguely defined SMEs suggests that better coordination among policy actions is required. A well-designed public funding policy at national and European level, regarding R&D and environmental protection projects is needed, which will be able to identify different group of companies with similar needs and with a dimension that reflects the single market, could strongly improve their effectiveness.

Finally, the competent authorities that should be entrusted with this important role and the availability of credit information should be subject to further assessment. Not surprisingly, several institutions claim a role in coordinating initiatives to enhance SME access to finance. Greater contributions from national member states should be forthcoming, especially in those sectors that suffer strong information asymmetries or incomparability of credit information. Overall, the question of whether national governments and the EU institutions should devise separate national or supranational policy actions for SMEs is a crucial issue that certainly deserves further attention.

Acknowledgments
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References


Investigating the General and Marketing Related Competencies of Accountants and Their Job Related Outcomes

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Abstract:

This paper investigates the latent structure of employees’ general competencies as well as their contribution to job related attitudes (i.e. job satisfaction and job performance), in accounting firm services (accounting offices). This research effort arises primarily based on the considerable theoretical vagueness and empirical inconclusiveness in the existing literature concerning general competencies mechanisms and their contribution. As of interest to resolve this controversy, a research framework is developed to explore general competencies which embrace abilities such as prioritizing, learning new things, communicating, coming-up with new ideas and solutions, working productively with others.

The empirical findings from a survey of 144 employees in accounting offices in Central Greece revealed that the general competencies framework suggested by Allen and his colleagues (2005) is consisted of six principal factors, namely (a) Communication & Teamwork, (b) problem solving & prioritising, (c) Time management and creativity, (d) interpersonal relations, (e) knowledge acquisition & application, and (f) risk taking & challenging. In addition, all groups of general competencies, as well as context-neutral action competencies including the marketing related ones, found to exhibit strong relationships to both job satisfaction and performance. Thus, specific directions for managerial action can be derived.

Keywords: General Competency, Accounting, Job satisfaction, job performance, Marketing Skills, Greece.

1. INTRODUCTION

Globalization, financial crisis and evolution in communication and information technology activate changes in the labor market referring to the recruitment and retainment of employees with transferable skills and competencies that facilitate “their adaptability to successful performance in any environment” (Ballout, 2009, p.655). Competencies can be categorised in two types: specific competencies, which are vital in order to perform any specific technical or functional task, and general, which embrace views such as intelligence,
information-processing models, key competencies, and meta-competencies. Several academics have advanced the crucial role of general competencies on job-related attitudes such as job satisfaction and performance.

Most scholars explore general competencies, while only a few research studies have focused on general competencies and its mechanism contributing to individual effectiveness. The purpose of this study is to investigate the way in which general competencies contribute to more effective work-related outcomes.

The paper is organized as follows. In the first section, the core concepts, namely, general competencies and job outcomes, as well as their association are discussed. The second section introduces the research methodology, followed by the analysis of the results. The next section focuses on the findings and the conclusions made, while the managerial implications and the limitation of the study are presented at the end.

2. RESEARCH BACKGROUND

Competencies and skills developed during higher education are setting the ground for individual effectiveness in the professional context, where employees’ capabilities and job requirements need to be met. By implication, Allen and his colleagues (2005) developed a taxonomy of general competencies including clusters of cognitive prerequisites that an employee should acquire in order to be able to perform tasks successfully in a specific field (Weinert, 2001). Indeed, several academics underline the significant role of ‘specific’ competences linked closely to a particular occupation as well as field specific skills and knowledge directly implemented to work tasks and duties. Yet, labor market turbulence and technological obsolescence can lead to the radical devaluation of specific competencies over time.

In addition, “generic” competencies or skills such as the ability to learn (conceptual competency), to communicate, to innovate and to build teams have been acknowledged as essential for professional success (Thompson et al., 1997). General competencies embrace a range of concepts, such as intelligence, information-processing models, key competencies, and meta-competencies. These clusters of competencies are characterized by the ability to be applied in diverse professional contexts and contents and also facilitate the application process of existing specific competencies, including the development of new ones, in new work circumstances and environments.

In this frame, researchers have put forth integrated conceptual models as a result of the synthesis of specific and general competencies, in order to meet cognitive, motivational and social requirements (Bloom, 1956; Boyatzis, 1982; Levy-Leboyer, 1996).

Abraham and his colleagues (2001) stated that generic competencies are vital for all employees, regardless of their function or level. Nevertheless, specific ones are critical in order to perform any specific task in the organization within a defined technical or functional field. Therefore, general competencies go beyond specific ones regarding their applicability, flexibility and long term scope.
In a similar vein, the Competing Values Model (CVM) evolved as a theoretical framework of organizational effectiveness to an instrument measuring organisational culture and leadership styles (adaptive, task, stability and people leadership). Quinn et al (2003) further developed and integrated this leadership model into a competency framework. Alike, Cameron and Quinn (1999) developed a tool to assess managerial effectiveness based on CVM and consolidated a list of successful leadership skills into a set of 12 managerial competency categories. In particular, they are consisted of managing the future, promoting continuous improvement, fostering innovation, managing competitiveness, energizing employees, focusing on customer service, managing acculturation, controlling the system, coordination, the management of interpersonal relationships, teamwork and personal development.

Building on this perspective, Allen et al (2005) introduced a conceptual framework for the measurement of general competences consisting of nine broad context neutral action categories (directing productive tasks, directing the work of others, planning, coordination, control, innovation, information management, maintaining relations with personnel, and maintaining relations with clients) in relation to work circumstances. Thus, they are considered as prerequisites for effective action, and they cover nearly the full range of general competencies, taking into account all the general and specific knowledge, skills, and motivations that may required for effective action. These competencies are referred as context-neutral action competencies because they are supposed to have a uniform interpretation across a range of contexts.

Several scholars have explored the influence of general competencies on job outcomes such as job satisfaction and performance. For example, Stumpf (2010) advocated that project leader’s competencies are related to job satisfaction, and job satisfaction plays a mediating role in the relationship between leadership competency and project performance. Alike, competencies including interpersonal understanding, commitment, critical thinking, persuasiveness and information gathering have been related to effective nursing performance (Zhang et al., 2001). In a similar pattern, Trivellas & Reklitis (2014) have confirmed the influence of leadership competencies on individual effectiveness of 132 managers in Greek firms. Moreover, Trivellas & Drimoussis (2013) examined the behavioural and managerial competency profiles of Project Managers and they identified crucial behavioural, managerial and emotional competency areas as well as the leadership styles contributing most to project success. Also, empirical findings from a survey of 84 employees in accounting offices in Central Greece provided supporting evidence that general competencies exert a mediating effect on the relationship between knowledge sharing culture and job satisfaction (Trivellas et al., 2015).

Therefore, general competencies are expected to be related strongly to both job satisfaction and performance (hypothesis 1).

3. RESEARCH METHODOLOGY

3.1. Sampling

The field research based on employees in accounting services firms (accounting offices). The resulting sample comprised 144 valid questionnaires (response rate about 31%). Examining demographics, the 40% of the respondents are front-line employees and 25% are supervisors (lower hierarchical level). The 55.5 % of the sample are females, 61.4% are less than 30 years old, 82.8 % hold at least a university degree and the majority of them (59.7%) have less than 5 years of working experience. The 64.8% of the accounting firms participated
in the filed research employee less than 10 individuals, thus they belong to the micro-enterprises. The 51.7% of the respondents have less than 800 Euros monthly wage, and 72.4% less than 1,200 Euros monthly wage.

3.2. Questionnaire Design

The research instrument was a structured questionnaire based on a seven-point Likert-type scale, which was developed to measure competencies, job satisfaction and job performance.

The research instrument developed by Allen et al., (2005) was adopted in our survey to measure general competencies of higher education graduates. A representative sample of items includes the ability to apply field-specific knowledge at work, the ability to come-up with new ideas, and solutions, the ability to work within a budget, plan, or guidance, the ability to learn new things, the ability to distinguish major priorities from secondary matters, and the ability to work productively with others.

Regarding job outcomes measures, job satisfaction construct was built upon Cammann’s et al. (1983) and Wright and Cropanzano’s (1998) recommendations. Sample items include satisfaction with job content, supervisor, colleagues, pay, and promotion opportunities.

Job performance (JP) scale was the product of a synthesis of three measures capturing individual performance by using 2-items from Yousef (1998), 5-items from Suliman (2001) and 1-item by Farth et al (1991). In this way, JP construct assesses quality, quantity, productivity, individual goal achievement, working time available, decision-making, suggestions for improvement and overall ability to execute a job. Although self-reported measures tend to attenuate the results, they have been proved to correlate highly with archival measures (e.g. Boudreau et al., 2001). Moreover, they are most appropriate when there aren’t any valid objective measures of performance (or they are not available to the researcher). Indeed, the literature supports the use of such self-report measures (e.g. Babin and Boles, 1996), which allow researchers to access sensitive areas not traditionally measured by existing measures while maintaining employee confidence (Kennedy et al., 2001). A number of studies have validated this scale (e.g. Dekoulou, & Trivellas, 2015; Kakkos & Trivellas 2011; Trivellas, 2011; Trivellas et al., 2010).

The questionnaire was tested twice before it was released, by ten accountants from different organisations and by five academics for in depth discussions. They confirmed the cognitive relevance of the questionnaire to accounting services firms. To ensure the validity of the item translation, an English to Greek translate and back translate procedure (Brislin, 1970; Laroche et al., 2003) was adopted. The seven-point Likert scale adopted, provides increased measurement sensitivity and variance extraction (Cooper & Schindler, 1998).
4. DATA ANALYSIS AND RESULTS

4.1. Principal Component Analysis

Principal Component Analysis (PCA) with normalized varimax rotation was performed on 25 items describing general competencies in order to extract groups of individual competencies. Kaiser–Meyer–Olkin statistics of 0.94, the significance of Bartlett's Test of Sphericity (p<0.001) and the inspection of correlations among the items indicated that the data was suitable for a factor analysis. A cut-off point of 0.40 was used to include items in the interpretation of a factor. Factor loadings were inspected and the data revealed six distinct principal components based on the scree plot criterion, explaining 83 % of the variance in the original data set. These six factors were labeled as (a) Communication & Teamwork, (b) problem solving & prioritising, (c) Time management and creativity, (d) interpersonal relations, (e) knowledge acquisition & application, (f) risk taking & challenging.

Alike, one principal component was extracted from the job satisfaction scale (Kaizer criterion, Scree plot), which accounted for over 72.2% of the total variation. Regarding job performance, more than 76.1% of the total variance attributed to the uni-dimensional component calculated. In table 1, factor loadings and eigenvalues of the PCA are shown.

<table>
<thead>
<tr>
<th>Item</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
<th>Factor 4</th>
<th>Factor 5</th>
<th>Factor 6</th>
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<td>Item 14</td>
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<tr>
<td>Item 15</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>0.773</td>
</tr>
</tbody>
</table>
Preceding PCA, the Bartlett sphericity testing on the degree of correlation between the variables (p<0.001) and the Kaiser–Meyer–Olkin (KMO) index verified the appropriateness of the sample. Cronbach’s coefficient alpha was calculated to test internal reliability of each scale, as recommended by Flynn et al. (1990), ranging approximately from 0.828 to 0.951. Thus, all sub-scales exhibited well over the minimum acceptable reliability level of 0.7. Table 2 presents descriptive statistics and reliability analysis indices of all scales.

Table 2. Descriptive statistics and reliability analysis

<table>
<thead>
<tr>
<th>General Competencies</th>
<th>mean</th>
<th>S.D.</th>
<th>Cronbach’s alpha</th>
<th>KMO*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge acquisition &amp; application</td>
<td>5.10</td>
<td>1.147</td>
<td>0.868</td>
<td></td>
</tr>
<tr>
<td>Problem solving &amp; prioritising</td>
<td>5.19</td>
<td>1.222</td>
<td>0.942</td>
<td></td>
</tr>
<tr>
<td>Time management and creativity</td>
<td>5.25</td>
<td>1.149</td>
<td>0.931</td>
<td></td>
</tr>
<tr>
<td>Communication &amp; Teamwork</td>
<td>5.39</td>
<td>1.145</td>
<td>0.950</td>
<td></td>
</tr>
<tr>
<td>Interpersonal relations</td>
<td>5.63</td>
<td>1.164</td>
<td>0.889</td>
<td></td>
</tr>
<tr>
<td>Risk taking &amp; challenging</td>
<td>5.56</td>
<td>1.249</td>
<td>0.907</td>
<td></td>
</tr>
<tr>
<td>Context neutral actions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Kaiser–Meyer–Olkin (KMO) indicator was calculated to assess sample size adequacy. The minimum acceptable level is 0.5. Bartlett’s test of sphericity is significant at $p<0.001$ for all scales. Factor loadings surpassing 0.45 are presented. Valid N=144.

### 4.2. Correlation Analysis

In order to investigate the association between general competencies, action categories and job outcomes, Pearson’s correlation analysis was conducted. Table 3 presents the results, where all groups of general competencies as well as action categories are strongly related to job outcomes and client relations, a marketing related contextual-neutral action. In particular, communication and teamwork competencies exhibit the highest correlation coefficient with both job satisfaction ($r=0.628$, $p<0.001$) and time management and creativity with job performance ($r=0.550$, $p<0.001$). Alike, client relations is strongly related to time management and creativity ($r=0.912$, $p<0.001$), problem solving and prioritizing ($r=0.885$, $p<0.001$) and communication and teamwork ($r=0.870$, $p<0.001$).

<table>
<thead>
<tr>
<th></th>
<th>Knowledge acquisition &amp; application</th>
<th>Problem solving &amp; prioritising</th>
<th>Time management &amp; creativity</th>
<th>Communication &amp; Teamwork</th>
<th>Interpersonal relations</th>
<th>Risk taking &amp; challenging</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Client Relations</strong></td>
<td>0.726***</td>
<td>0.885***</td>
<td>0.912***</td>
<td>0.870***</td>
<td>0.771***</td>
<td>0.819***</td>
</tr>
<tr>
<td><strong>Job satisfaction</strong></td>
<td>0.581***</td>
<td>0.591***</td>
<td>0.595***</td>
<td>0.628***</td>
<td>0.607***</td>
<td>0.565***</td>
</tr>
<tr>
<td><strong>Job Performance</strong></td>
<td>0.445***</td>
<td>0.513***</td>
<td>0.550***</td>
<td>0.545***</td>
<td>0.486***</td>
<td>0.437***</td>
</tr>
</tbody>
</table>

* Significant at the 0.05 level, ** significant at the 0.01 level, *** significant at the 0.001 level, (N=144).
In a similar pattern, all context-neutral action competencies are strongly related to job outcomes, as illustrated in table 3.

<table>
<thead>
<tr>
<th>Productive tasks</th>
<th>Directing others</th>
<th>Planning</th>
<th>Coordination</th>
<th>Control</th>
<th>Innovation</th>
<th>Information Management</th>
<th>Personnel Relations</th>
<th>Client Relations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td>0.554***</td>
<td>0.579***</td>
<td>0.574***</td>
<td>0.578***</td>
<td>0.526***</td>
<td>0.567***</td>
<td>0.555***</td>
<td>0.556***</td>
</tr>
<tr>
<td>Job Performance</td>
<td>0.648***</td>
<td>0.601***</td>
<td>0.682***</td>
<td>0.625***</td>
<td>0.663***</td>
<td>0.684***</td>
<td>0.691***</td>
<td>0.656***</td>
</tr>
</tbody>
</table>

* Significant at the 0.05 level, ** significant at the 0.01 level, *** significant at the 0.001 level, (N=144).

The results indicate that general competencies and context-neutral action competencies are vital for increased job outcomes and improved marketing related attitudes.

5. DISCUSSION AND CONCLUSIONS

This study aims to investigate the latent structure of general competencies as well as their role on the development of job related attitudes. Drawing from a sample of 144 employees of accounting services firms, six clusters of general competencies have been emerged, namely, (a) Communication & Teamwork, (b) problem solving & prioritizing, (c) Time management and creativity, (d) interpersonal relations, (e) knowledge acquisition & application, and (f) risk taking & challenging. Building on this view, Allen et al (2005) introduced nine broad context neutral action categories (directing productive tasks, directing the work of others, planning, coordination, control, innovation, information management, maintaining relations with personnel, and maintaining relations with clients) as prerequisites for effective action, taking into account all the general and specific knowledge, skills, and motivations.

In addition, all groups of general competencies, as well as context-neutral action competencies including the marketing related ones, found to exhibit strong relationships to both job satisfaction and performance.

Results indicate that employees equipped with high levels of general competencies were proved to yield enhanced levels of job outcomes, namely job satisfaction and performance. Job related outcomes reveal employees’ evaluation of job conditions regarding among others their salaries, fringe benefits, achievement, autonomy, recognition, communication, working conditions, job importance, degree of professionalism, internal climate, interpersonal relationships, supervisory support, positive affectivity, job security, workplace flexibility and teamwork (Rad & Yarmohammadian, 2006). Yet, low level of job performance and satisfaction has frequently been associated with “unskilled or inappropriately trained staff, laborious tasks such as documentation, repetition of duties, tensions within role expectations, role ambiguity, role conflict, feeling overloaded” (Navaie-Waliser et al. 2004; Koustelios et al., 2003; Illies & Judg, 2003; Blegen, 1993; Thyer, 2003). Under this logic, several scholars advocate that training fostering the cultivation of general competencies such as interpersonal relations and communication abilities strengthen employee satisfaction and subsequently individual performance (Harel & Tzafrir, 1999; Lee et al., 1999). Building on this view, Hayes (1979) defined ‘competence’ as a combination of ability and willingness to do a task, enriching the importance of internal motivation. In a similar pattern, Alder (1991) assumed that “systems in which employees reported higher
perceptions of skill variety, task significance, autonomy, and feedback reported higher levels of satisfaction and internal work motivation”.

Furthermore, a number of studies have highlighted the strong association between behavioural, managerial and emotional competency profiles with job performance, satisfaction and organizational success (Trivellas et al., 2015; Trivellas & Reklitis, 2014; Trivellas & Drimoussis, 2013).

Hence, managers in accounting services firms should apply a competency development plan and adopt techniques and practices in order to improve employees’ competency profiles. Competent employees are regarded as one of the utmost crucial element in the pursuit of a sustainable competitive advantage grounded on individual effectiveness, innovation and creativity.

Future research should build on and validate the current results by assessing the role of organizational culture (Trivellas, & Dargenidou, 2009a; 2009b) in the different profiles of employees’ competencies as well as internal environment variables such as motivation, leadership, knowledge sharing, emotional intelligence and innovativeness (Trivellas, 2011; Trivellas, 2012; Trivellas et al., 2015; Trivellas & Drimoussis, 2013; Trivellas et al., 2013; Trivellas & Reklitis, 2014; Trivellas & Santouridis, 2009).

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Internet and social media: the main marketing tools for small family businesses

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Abstract:

Small and Medium Sized Enterprises (SMEs), including family businesses, recognise the link between successful businesses and the use of marketing tools. They understand that successful use of marketing tools needs to be at the heart of the business. Despite the powerful means of the World Wide Web (WWW) in international marketing, and its low cost applications, many SMEs are not utilising its full potential. In this respect, Greek family businesses practices lag behind regarding the use of basic marketing tools such as systematic advertising campaign or marketing plan preparation. This is primarily due to their low economic base, covering the overall business activity. They do, however, use marketing tools related to the Internet, to a significant extent. This happens mainly with the entrance of the second generation in the family business, which is a computer literate generation.

In this paper we report on the use of marketing tools focused on the use of Internet and Social media as marketing tools in small family businesses. A study based on twenty-two in-depth semi-structured open-ended interviews was carried out. The results show that Greek SME-sized family businesses make very limited use of marketing tools in general. The qualitative analysis following the interviews unfolded several causes revealed and discussed in the paper. Small Greek family businesses are identified to have limited skills of using marketing tools. The founders have only experience based marketing knowledge, the customer base is very small and there is a lack of resources to be used in marketing activities. Marketing tools, such as e-marketing, m-marketing and social media marketing are used very easily by the second generation, which is very promising for the future of the SMEs family businesses, given the fact that the Internet has a revolutionary impact on the conduct of international trade.

Keywords: marketing tools, digital marketing, social media marketing, mobile marketing, small family businesses
1. INTRODUCTION

Family businesses, the major contributors to jobs and economic prosperity worldwide, have a significant role to play in the strength and dynamism of the European economy and long-term stability. Across Europe around 70-80% of all enterprises are family businesses and totally they encompass employment around 40-50% (Mandl, 2008). In Europe the family business sector is dominated by Small and Medium Sized Enterprises (SMEs), and particularly by micro enterprises with less than 10 employees operating in traditional and labour intensive sectors. However, recently a shift towards more contemporary fields is taking place.

Research carried out on family businesses in Greece is very limited. According to the Grand Thorton revue (2006), the Industrial Chamber of Athens (2010) and the PWH study (2010), the vast majority of enterprises in Greece (over 80%) are family business.

Similarly with European Family businesses, the Greek family businesses are mainly SMEs, comprising more than 98% of the total Greek business. Most of the family businesses are very small micro firms employing less than 10 employees (SMEs in Europe, 2008).

Running a business in today’s turbulent environment is pretty hard. Running it with your spouse, your siblings or multiple generations of your family can add tension, conflicts and risks. However, when family businesses work at their best, they can bring added value to the family for many generations and to the society as a whole. Although smallness may be a benefit in some aspects on the business level, it may have some downsides, particularly on the practical day to day level such as keeping up to date with legislation, management and strategic issues, to name a few. In addition, those SMEs that identify themselves as family businesses also have to fight with a set of issues stemming from family networks and relationships. Recognising that the business and the family are intertwined in family businesses, some researchers define the performance of family businesses both on family and on business dimensions (Mitchell et al., 2003). Some studies even suggest that the family business’ success depends on effective management of the overlap between business and family (Olson et al., 2003; Danes et al., 2007). Different models and self-therapy tools of sustainable family businesses that take into account the reciprocal relationships between family systems and business systems in an effort to foster the simultaneous development of profitable businesses and functional families have emerged as a result to try to assist family businesses in diagnosis of potential problem areas and in providing advice for prospective solutions (Siakas et al., 2014a).

According to a recent study, family businesses do not use marketing and strategic planning methods as often as other businesses (Koufopoulos et al., 2010). The same study shows that less than half of SMEs in Greece have invested in structured strategic planning. The study reveals that the emotional involvement of the owner(s), as well as the personal character of the administration, has a negative impact on strategic planning and the implementation of targeted design. In theory every business regardless of size, use similar marketing tools. The implementation of marketing techniques concerns neither the size, the type of the activity nor the character (family or nonfamily) of a business (Cromie, 2001).

Orpen (2004) developed this further by identifying that in small family businesses the following factors intervene, namely:

- the different cultures that coexist in the “business system”;
- the engagement of the “family system”;
- the personal character of the administration;
- the lack of expertise in marketing techniques;
- the vision of different generations that are involved in administration;
- distrust of the administration as regards to the usefulness of marketing tools and techniques.

Stokes states that marketing in small family businesses is being sparingly used and has more reactive than creative character (Stokes, 2005). Previous work identified that SME-sized family businesses make very limited use of marketing tools (Vlachakis et al, 2013).

The purpose of this paper is to investigate to what extent the family businesses in Greece use marketing tools as a means to extroversion and development. In particular we are interested in understanding which marketing
tools are been selected as most useful or effective, what are the key factors that affect the applicability or not of marketing tools, what is the role of family members in the process of applying marketing tools?

This paper builds on existing literature and the result of a survey conducted in 22 family businesses in the prefecture of Thessaloniki and is developed as follows: In section 2 a literature review is presented, section 3 documents the choice of methodology; section 4 lists the results of research along with suggestions regarding how to improve the situation. Conclusions are presented in chapter 5.

2. LITERATURE REVIEW

2.1 Definition of Family Businesses

Numerous attempts have been made to define conceptual and operational meanings of family businesses; hence, researchers have dealt with issues regarding definitions of family businesses. There is plenty of literature available regarding the definition of family businesses (Wortman, 1994). Most definitions of family businesses concentrate on distinctive characteristics that separate them from non-family businesses. These definitions seem to circle around the role of the family in the vision of the business, the resources and capabilities, as well as control mechanisms used in the business (Chrisman, 2003; Habbershon and Pistrui, 2002). Some researchers emphasise the specific and distinct business culture family businesses have (Denison et al. 2004, Barney, 1986). Others argue that a family business entail a family that owns a business and in contrast to non-family businesses, family businesses are usually managed by their owners or other members of the owning family (Jaffe and Lane, 2004; Kenyon-Rouvinez, 2001). According to Baines and Wheelock (1998), the family business is an inclusive term, which recognises a variety of formal and informal relationships between families and the businesses from which they gain their livelihoods. A central issue in the family businesses is the succession of the family business (Vassiliadis and Vassiliadis, 2014, Vlachakis et al., 2014). Aspects of family business succession process are often neglected during the life of the founder or the generation that must be getting ready for transferring the business to younger generations (Stavrou, 2003).

According to Greek Company Law 2941/2001, there is no definition regarding family business. However, family businesses can be considered as enterprises that are owned, managed and influenced by a family (Siakas et al, 2015). In family businesses both ownership and policy making are dominated by family members (Agapitou and Theofanides, 2008).

The family businesses involve three overlapping elements that make them different from other types of business, namely the family, the business, and the ownership (Taqiuri and Davis, 1982). Families spend a great deal of time and money trying to sort out questions of family governance and ownership structures. Although many of the challenges facing family businesses also concern SMEs in general, some affect family businesses more specifically, and others are exclusive to only them. Some challenges stem from the environment in which the business operates (inheritance, taxation etc.), others are connected to the family business internal matters, such as balancing the business, family and ownership aspects, succession and internal conflicts between family members and ascertaining professional business management (Siakas et al., 2013b). Family businesses compared to other businesses are characterized by two dynamic and sometimes conflicting reference systems - the family (the emotional) and the company (the professional). Private and personal interests may be transferred to the company and vice versa. As same persons may have different overlapping roles in family business it is not easy to find balance at times.

Despite the fact that family businesses contribute significantly to economic activity and employment, comparatively little research has been carried out to identify the needs, aspirations and challenges of European family businesses.

2.1 The use of marketing tools and techniques in family businesses

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (American Marketing Association, January, 2008).
The extroversion or introversion of a family business is determined mainly by the values and beliefs of the family rather than actual business needs (Stavrou, 2003). The understanding of family values is extremely important, because they influence the sustainability and further development of the family business (Bhalla et al., 2006). The personality of each of the family members that shape the business culture determines the development of the family business, the intention for extraversion and the use of marketing techniques (Björnberg, 2012). The family business can achieve greater extroversion through use of marketing tools and techniques when a person (family member) with training and work experience in other companies undertakes the business administration (Royer et al., 2009). They also argue that and idiosyncratic knowledge in family businesses is often more person specific than business specific and, as a result only accessible to family members or trustworthy agents. Lee et al. (2003) postulate that the success of family businesses (in terms of profitability), often depends on idiosyncratic knowledge that the managing family members possess. This knowledge consists of personal networks, the ability to motivate employees to collaborate, know-how about local conditions and internal processes in the family business.

Businesses that anticipate growth need to continuously seek new markets. The export activity is a complex process that requires extensive planning and risk taking. The main difficulties seem to include (Hajidimitriou & Azaria, 2004):

- Difficulties of market research;
- Communication challenges;
- Lack of reliable and timely information;
- Difficulty of controlling the activities;
- Funding issues.

In addition, differences in culture should not be neglected.

A new sales instrument, particularly abroad, is facilitated through Information and Communication Technologies (ICTs). However, there are significant risk factors that need to be addressed, such as security of transactions, inadequate privacy and lack of a single international legislative framework. The export activity through the internet is gaining ground and is suitable for small family businesses because it is relatively low-cost. The on-line sales abroad are easily manageable for SMEs. If preceded by careful planning, on-line sales abroad can be controlled by only one person (Melewar and Smith, 2003).

Saranteas (2012) argue that cheap marketing tools that can be used by small businesses are those derived from the internet. West (2008) made an evaluation of the different marketing tools.

Marketing tools which can be used by small businesses:

**Low cost marketing tools**

- **E-mail** can replace advertising through conventional mail, with a minimal cost. It gives the business the ability to target specific customers.
- **Campaigns in social media.** Rapidly emerging marketing tool which provides high quality on-line capabilities.

**Relative low cost marketing tools**

- **Brochures – flyers** can communicate successfully direct and tangible benefits of services and products. In addition, notification of financial offers and discounts can be promoted.

**Relative high cost marketing tools**

- **Public relations do not aim at an immediate increase in sales volume; can play an important role in the business image and the prospective buyer’s idea about potential products and services.**
- **Radio advertisements** is a good alternative for smaller businesses; it has local geographic coverage and low cost.
- **Printed advertisements** are special tools useful to businesses that target specific audiences. They can help to create a specific image or brand.
High cost marketing tools

- **TV and outdoor advertising** are the most effective tools, the most expensive targeting to a larger audience.

According to McCartan-Quinn et al. (2003), small businesses are at disadvantage, regarding both economic management and the use of marketing tools. This view is reinforced by the fact that classical marketing concepts are often unsuitable for small businesses. Key factor explaining the success or failure of the business is the personality of the business funder and the lack of using marketing practices. When same marketing principles are applied to small and big businesses, small businesses have a shortage of knowledge and of understanding the marketing principles (Cromie, 2001). Systematic marketing practices are absent in small enterprises, instead informal, intuitive and incoherent marketing approaches are applied. Brown, (2005) found that family business owners devote very little time in strategic thinking related to marketing options, since they believe that it does not provide any added value to the business. The marketing challenges in small businesses are mainly associated with lack of knowledge and experience in marketing issues, small customer base, and high dependence on the activity of the owner. Corrective actions are made instead of preventive, such as design. The family business owners do not seem to understand or take into consideration emerging marketing opportunities (Stokes and Fitchew, 1997). A strong brand name and the strength in markets are usually absent in small and medium sized family businesses (Lilien et al., 2002). Another factor that affects the marketing concept for small businesses is the cost of marketing tools. They sparingly spend funds for marketing techniques due to lack of resources. Even when the entrepreneur has an interest in marketing, he/she seldom uses it to solve specific business problems (Carson, 2003). The education in marketing issues is also an important factor in influencing the implementation of marketing techniques. In small-medium sized family business managers rarely care for systematic training in marketing. They suggest that the best training is (on-the-job) experiential training (Kirby, 2000).

Marketing tools can be used in different ways, in various combinations by enterprises of all sizes and all types; they are an important weapon in helping a family business to keep in contact with the changes in the environment, to seek development and to ensure sustainability (Vlachakis et al., 2013).

### 3. ELECTRONIC MARKETING

#### 3.1 Digital Marketing

Digital marketing involves the promotion of products and services by the use of digital distribution channels that reach customers and consumers in a personal, timely and a cost-effective manner (Siakas et al., 2013a). Digital markets are global, highly competitive with low entry barriers. New markets are continuously entered and new solutions are constantly developed. Digital marketing techniques utilise the Internet due to the fact that it is currently the most popular channel for connecting with people, searching information and generating content to be used by other people. In digital marketing it is important to take into consideration e-readiness and the digital divide. e-Readiness is the ability to use ICTs and digital divide refers to the gap between those who can effectively use new ICT tools, such as the Internet, and those who cannot. In fact there is not just one digital divide but multiple divides which relate to a variety of factors such as: gender; age; ethnic clustering; uncertainty of living/financial conditions; work insecurity, and social insecurity (Mancinelli, 2007).

The marketer needs to have awareness of the target group characteristics regarding degree of social access to digital technologies. Figure 1 shows the S-curve, which is important for understanding when digital marketing is most efficient.
With successive groups of consumers adopting a new technology (shown in blue), its market share (yellow) will eventually reach the saturation level. In mathematics the S curve is known as the logistic function (Rogers, 1962; Fisher and Pry, 1971).

3.2 E-Marketing

E-marketing refers to internet-based marketing and is defined as the use of the Internet to achieve marketing objectives and to support the concept of contemporary marketing (Vlachopoulou, 2003). In practice, internet marketing includes on-line promotional techniques, such as Search Engine Marketing (SEM), Search Engine Optimisation (SEO), links from and to other web sites, web banners, e-mail advertising, lists and newsgroups. These are usually used in combination with the use of a company web site. The aims are to build customer relationship by acquiring new customers and by providing services to existing customers. Increasingly, business intelligence and intelligent agents identify customer characteristics to be used for targeted and personalised e-marketing (Siakas et al., 2008).

3.3 M-Marketing

Mobile marketing is “a set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network” according to the Mobile Marketing Association. Mobile marketing involves communicating with the customer via a mobile device, in order to send a simple marketing message. However, mobile marketing is not about sending unwanted text messages to people or offering discounts, but instead a meaningful dialogue with the customers should take place. Communication and customer engagement are two key factors for successful mobile marketing (Digital Marketing One, 2011). Customers can use their mobile device on own place, own pace and own time. Additionally most people have a cell phone but may not be able to use a computer. So it is evident that the digital illiteracy is lower in mobile devices compared to computers and thus mobile marketing can reach wider target groups. The Global Positioning System (GPS) offers contemporary mobile services that can be used for marketing purposes.

3.4 Social Media Marketing

Social media include internet and mobile based technologies used to turn communication into interactive dialogue among individuals, communities and organisations. Social media are the online platforms and tools
that people use to share experiences (including insights, photos, videos, music etc.), opinions and perceptions with each other (SIMS, 2013). Social Media is characterised as the power of Word of Mouth accomplished through a bottom-up approach and crowd-sourcing (Siakas et al., 2014c). Engagement in the Social Media means that customers or stakeholders become active participants rather than viewers. Participants engage in all forms of social discourse by acting together to equalise the market positions of manufacturers, suppliers, business and organisational leaders, customers and stakeholders in general. The engagement process is essential to successful social media marketing and to successful social business practices (Evans and McKee, 2010). The choice of suitable Social Media Networks, such as facebook, twitter, blogs, wikis, newsletters etc., is important for obtaining expected results according to the marketing strategy. For example, targeted marketing is based on the characteristics of the target group we like to reach and the social media network should be chosen based on characteristics of the users of the Social Media (interests, age, gender etc.). Social Media Marketing is also called Word-of-mouth marketing or Viral Marketing, because it utilises the nature of the social networks and the engagement of the participants. It spreads and diffuses the context in a new manner by involving the target groups unconsciously through competitions, comments (posts), ratings and interactions in general.

Social media is an important technological trend that has big implications on how people communicate and collaborate. Current trends in digital media focus upon crowd-sourcing, collaboration and bottom-up approaches and collaborative content creation (Ernestad and Henriksson, 2010). Projects and products can benefit from engaging in social media within various aspects of their work. Social media offer a range of tools which can facilitate finding, using and disseminating information. Social media can open up new forms of communication and dissemination. It has the power to enable engagement in a wide range of dissemination activities in a highly efficient way.

Regular users of social media, consider it a great place to find others working in the field, to share and build on information, rather than multiple users reinventing the wheel. With an increased focus on authenticity, trust and relationships are built through regular interaction, whether that is with new external contacts, or for internal communications. Users become adept at adapting to each new system.

4. RESEARCH METHODOLOGY

The aim of this paper is to investigate to what extent do Greek Small and Medium Sized Enterprises (SMEs) family businesses adopt marketing tools. The research methodology includes a multimethod approach, involving the use of qualitative and quantitative analysis in a parallel sense, in order to get more rich information. By using semi-structured interviews the respondents are freely allowed to develop their opinions without restrictions and they can do it with greater richness and spontaneity, than when using only quantitative research approaches.

For the data collection a primary study based on twenty two in-depth, semi structured, open-ended interviews from April to November 2014, in the Prefecture of Thessaloniki was carried out.

The study covered following areas:

Applicability of Marketing tools: What are the key factors that affect the applicability or not of marketing tools?

Role of family members in marketing decision making: What is the role of family members in the process of applying marketing tools?
Knowledge of family members in marketing tools: To what extend do people, who run the family business, know the marketing philosophy, its methods and tools?

Ability and experience of applying marketing tools: To what extend are they able to apply marketing tools by the decision making process

Criteria of choosing marketing tools: Which marketing tools have been selected as most useful or effective and why?

Impact of applying marketing tools: Which marketing tools are they mainly able to use?

Risk level of using marketing tools by young generation: What is the process of transferring responsibility of marketing decisions to the new generation?

5. FINDINGS

5.1 Sample's identity

The sample of family businesses consists of SMEs, with an average of 13,6 employees. More than 1/3 of them (37,6%) have operated in the Greek market more than 30 years and 41,2% operate 20-30 years, while only 12,3% of them have been active 10-20 years and 8,9% 1-10 years. Approximately in 80% of family businesses all the adult family members work in the family business, while in the remaining family businesses, all of the adult family members are not involved in the business. 80% of the managers, decision makers of the family business are the founders, and the remaining managers, decision makers are the successors who run the business. None of the family businesses has delegated the management to a corporate executive who is not a family member. Concerning the issue of succession, more than 70% of the respondents have already planned leadership succession in the family business by choosing a family member and not an executive-manager who is not a family member. In the remaining the businesses there is no succession plan, because the successors are still too young.

5.2 Organisation-staffing of marketing department

Regarding the existence of a formal or informal marketing department we found that none of the sample's family businesses has a separate marketing department. The absence is mainly due to the

- small business size (allows neither administratively nor essentially creating a separate department)
- marketing activities do not happen in a continuous process.

Founder I: "In our business we all have responsibilities of different things. A little of this and a little of that. It is not productive to be occupied only with finances, or only with sales or only with marketing. This happens only in large enterprises".

Marketing decisions are being taken by the founder of the family business. These marketing decisions are made based on experience and intuition.

Founder II: "When needed to take such a decision (marketing), I have to do it and I will do it in same way as I take decisions until today. I might not have any special knowledge, but until now I managed well". There is a
lack of knowledge and additionally founders do not in general seek advice from external consultants in marketing issues. They do not consider it necessary.

Founder III: "We cannot afford to pay others to advise us what to do. We know very well our work and our daily problems. I do not believe that somebody external will do it better". In the case where children already work in the business, the founders assign some marketing tasks to them, but take the end decisions themselves. In this case children run the daily marketing issues instead of the founders.

Successor I: "My father instructed me, as a first job, to design the pricelist and the brochures. It was an easy job for me and I did it quickly". Daily marketing issues are low risk issues, constituting one good opportunity for the children to gain experience and get easily integrated in the family business.

5.3 Knowledge about marketing

The knowledge about the marketing philosophy and the use of marketing tools was studied. The first generation, which currently runs the family business, has not got knowledge about marketing and they don’t use marketing tools in their decision making process. Their knowledge in marketing issues comes, in more than 80%, from experience, while the knowledge of the remaining 20% comes from seminars or a technical school. The founders were not trained when they were young and the main barriers for a later training are their deficits in time and funds. They believe that the younger members of the family should be trained instead of the founders. Although they declare that they consider the knowledge in marketing important, they are not willing to ask for help for implementing marketing tools. A key parameter that determines the degree of implementation of marketing tools is their ignorance and the fear to use tools they do not know. So they continue to make decisions based on their experience and intuition. First generation members do not take marketing tools into account in their decision-making process. This is not because they do not consider it important, but because they do not know how to implement them in the decision making process.

The situation is completely different regarding the second generation, the majority of them is good educated. They introduce the use of information systems and their adoption in the decision making process to the family business. They are knowledgeable handling computers, good users of the internet, social networks and social media and familiar with the commercial packages used by the family business (eg. Kefalaio or Eurofasma).

Founder IV: "Today's children know very well how to handle computers". Regarding the marketing knowledge, 42% have studied business administration (including marketing), 45% studied something else related to the business object (9% of them made post graduate studies in business administration) and the rest have no higher education. Somehow, however, they have acquired marketing knowledge, mainly through seminars. In general, although they have limited experience in decision making, they seem to be more open to advice. They use internet in their personal lives and their decision making is not based on experience but more in analysing data with statistical tools, such as MS Excel and SPSS.

5.4 Use of marketing tools

As basic tools of marketing decision making we can mention:
1. Marketing plan. General planning that answers the questions where are we today, where do we want to go, how shall we go there; It contributes to the detailed analysis of today's situation, setting future goals and describing the procedures of implementation and control.

2. Strengths- Weaknesses -Opportunities-Threats (SWOT) analysis. Analyses the opportunities and threats of the external environment, cites the strengths and weaknesses of business's internal environment.


4. Use of industry sector surveys. They provide useful information about the market situation, in which the business is active.

The findings show that these basic marketing tools are not used in small and medium-sized family businesses. In most of the cases they are totally unknown. None of the functions performed is in written form. However, all these functions exist in the founder's mind, in an unwritten form, without systematic analysis or plan. In general, he knows the course of the business and the resources available, the opportunities appearing on the market, the strengths of the business and the possibilities of its products. He does not use information taken from surveys, he does not use information systematically processed and makes decision based on experience and intuition.

As main causes of not using marketing tools are the following:

- Lack of knowledge;
- The above marketing tools are perceived as theoretical approaches, without direct practical effect;
- Dealing with the everyday life is considered to be more important and leaves no free time for strategic thinking;
- Personal sales are considered as the most immediately effective marketing tool. Most of the small-medium sized family businesses are sales oriented, not marketing oriented.

Following West's evaluation (2008) of different marketing tools, we examined first the degree of use of expensive marketing tools such as TV, or outdoor advertising. We easily found that no one of the sample's businesses use these advertising tools, because of their high costs, in relation to the small customer base of the business.

Regarding the relative high cost marketing tools, like radio, print advertising, public relations and participation in commercial fairs, we found that they are used by some businesses of the sample. Radio is the most popular (56%) because it is perceived as being directly effective, may be used seasonally and is used to support offer policies. Print advertising is in a lower position (23,6%) because it is difficult to associate it with the target market and its efficiency is not easily perceived. The public relations that are used are mostly informal friendly terms with customers and suppliers. Dinners with clients or suppliers are the most common public relations. The participation of the company in commercial fairs is used by only 35% of samples' companies. It is considered as a very important marketing tool, by those who use it. It helps in finding new customers and developing exports.

The relative low cost marketing tools like brochures and flyers are used by almost all samples' businesses, when they want to make an offer, or a seasonal activity. Things were very different when we investigated the low-cost marketing tools, particularly those which are directly related to the internet. These marketing tools are selected in very high rates, almost 90%, especially when the family business second generation are already working in
the family business. The main reasons why the internet marketing tools are chosen, according to the answers of samples’ family business managers, are because of:

- their low cost;
- their ability to penetrate to specific audiences and customers;
- the easy usage by the new generation;
- they enable quick access to the globalised market;
- they give the opportunity to develop new entry tools on the market (internet marketing).

Internet marketing tools are used in different ways like:

- finding customers and suppliers;
- creating, securing and updating of company’s website;
- online sales;
- advertising;
- using specialised online databases (for example proz.com).

5.5 The role of family members in the use of marketing tools

By editing the data of the samples’ interviews, we came to the result, that there are three main factors that determine the role of family members in the use of marketing tools,

- knowledge about marketing tools;
- the degree of responsibility in decision making;
- the degree of experience in decision making.

There exists the paradox, family members who have high responsibility and high experience in decision-making (founders), do not have knowledge in using marketing tools, while on the contrary, family members who have low responsibility and low experience in decision-making (second generation), have high knowledge in using marketing tools. This is shown in the table below.

**Table 1.** The roles of founders and second generation

<table>
<thead>
<tr>
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<th>Responsibility in decision making</th>
<th>Experience in decision making</th>
<th>Knowledge about marketing tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Founders</td>
<td>High</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Second</td>
<td>Low</td>
<td>Low</td>
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<td>generation</td>
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The challenge is therefore to find a process, which can help those who have the responsibility and the experience (founders), to use marketing tools or to ensure the participation in decision-making of those who have the knowledge (second generation). We found that there are two methods which the samples’ family businesses follow, each one separately or in combination.

1. Informally involvement of the second generation in taking high risk decisions. The second generation's family members are informally involved by expressing their own opinion, in the family council or the daily meetings with the founder. Their involvement is more advisory than active. The final decision is taken by the founder.
There is also the possibility when their views are not adopted that they perceive it as rejection, thus creating conflicts.

2 The second generation uses the marketing tools to improve things. The family members of the second generation are well educated, they bring new knowledge to the family business (including marketing knowledge). Our research showed that, when they try to apply the new knowledge they are treated by distrust, on the part of the first generation. The first generation does not believe in their effectiveness and it is a leading cause of conflicts. The members of the second generation have to convince practically for their ability to use effectively the marketing tools.

6. CONCLUSION

In this paper we mainly referred to the use of Internet and social media in favour of SMEs and in particular to family businesses. Our research supports the finding of Stokes (2003) marketing for small-medium sized family businesses is used sparingly and has mostly "reactive" than "creative" character. None of the sample's family businesses has a separate marketing department. The absence is mainly due to the small business size (allows neither administrative nor essentially creating a separate department) and because marketing activities do not happen in a continuous process. Marketing decisions are being taken by the founder of the family business. These marketing decisions are made based on experience and intuition. Regarding the basic tools of marketing decision making like marketing plan, SWOT analysis, BCG analysis and the use of industry surveys, they are not used in small-medium sized family businesses. In most of the cases they are totally unknown. None of the functions performed is in written form. However, all the functions exist tacitly in the mind of the founder, in an unwritten form, without systematic analysis or plan. As main causes we identified a) lack of knowledge, b) marketing tools are perceived as theoretical approaches, without practical effect, c) dealing with the everyday life is considered to be more important and leaves no free time for strategic thinking, d) personal sales are considered as the most immediately effective marketing tool. Most of the small-medium sized family businesses are sales oriented, not marketing oriented. High cost marketing tools like TV or outdoor advertising cannot be used because of their high costs, in relation to businesses’ small customer base. Not so high cost marketing tools, like radio, print advertising, public relations and participation in commercial fairs, or relative low cost tools like brochures and flyers may be used seasonally and support offer policies.

All small-medium sized family businesses make high use of the marketing tools which are directly related to the internet. They are been selected in very high rates and the main reasons are a) their low cost, b) their ability to penetrate to specific audiences and customers, c) the easy usage on the part of the new generation, d) they enable quick access to the globalised market and e) they give the opportunity to develop new entry tools on the market (internet marketing). They are used in different ways like a) finding customers and suppliers, b) creating, securing and updating of company’s website, c) online sales, d) advertising and e) using specialised online databases (for example proz.com).
There is a large gap between the first and second generation in today's small-medium sized family businesses regarding to the knowledge and the use of marketing tools. There is a lack of knowledge and use of marketing tools in the decision making process, on the part of the first generation. Their knowledge in marketing issues comes from experience, in the best case it is based on seminars. So they continue to make decisions based on their experience and intuition because of their ignorance and the fear to use tools they do not know. They believe that the younger members of the family should be trained in marketing issues. The majority of the second generation is good educated. They are knowledgeable in handling computer, good users of the internet, social networks and social media and familiar with marketing issues, in high rates they have higher education in marketing. They use internet in their personal lives and their decision making is based more in analysing data with statistics.

The role of family members in the use of marketing tools is been determined by three main factors, namely a) knowledge about marketing tools b) the degree of responsibility in decision making and c) the degree of experience in decision making. Founders who have high responsibility and high experience in decision-making, do not have knowledge in using marketing tools while on the contrary, second generation family members, who have low responsibility and low experience in decision-making, have high knowledge in using marketing tools.

In order to adopt the philosophy of marketing and make use of its tools, the founders of family businesses have to use two methods. First they must give the opportunity to the members of the second generation to deal and decide all alone only with low risk issues. Second, after getting some experience in decision making, they have to enable them to participate advisory in high risk decisions, keeping by themselves the right of the final decision making. In this case the second generation members are trained in the decision making process and parallel they acquire experience of involvement in high risk decisions. So they gradually acquire the trust of the first generation and they enable them to use the marketing tools in increasingly higher risk decisions.

Generally the members of the second generation are those, who introduce the philosophy of marketing, computers and systematic methods for the decision making process in their family businesses. The first marketing tools, which they use, are derived by Internet. At the beginning it gives them the opportunity to deal and decide only with low risk issues. They gradually acquire the trust of the first generation and can use the marketing tools in increasingly higher risk decisions.

6. FURTHER WORK

Further work will concentrate on investigating what kinds of changes the second generation makes when they take over the family business. What will their contribution of their marketing knowledge be to the family business and what is the added value for the changes imposed by them.

Acknowledgment

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Mind the gap: developing self-efficacy amongst 1st year students during transition to Higher Education (work in progress)

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ABSTRACT

The changing profile of students entering higher education presents new challenges for institutions, particularly during the first crucial year of study. During this transition between school and university, students need to develop an understanding of independent learning, a social identity and self-efficacy when faced with academic challenges. There has also been a pedagogical shift towards developing a fresh approach to teaching interventions which motivate and inspire student and develop self-belief and academic motivation. This paper provides a brief overview of the literature on transition, self-efficacy and student centred learning to provide the theoretical framework for the discussion of a student-centred teaching intervention called Marketing Downloads. The aims and objectives of the initiative are discussed along with details and initial results of a qualitative study design to explore the development of self-efficacy.

Keywords: transition, independent learning, the new student, self-efficacy, confidence, student-centred learning

CONTEXT AND AIMS

It is well documented in the literature that a new type of student and a new tertiary education environment is emerging (Prichard 2006). Students are entering university from a diverse range of demographic and attitudinal backgrounds with a corresponding wide range of needs which institutions must consider (Archer, 2007). This new student has a different learning experience and skill set from previous generations, being raised in a secondary educational environment where there tends to be less time devoted to reflection and encouragement to learn autonomously and more to ‘spoon feeding’ of information to pass exams (Haggis, 2006; Pokorny and Pokorny, 2006). Consequently the move to Higher Education (HE) for many can be likened to entering an ‘alien’ environment (Aksham, 2008) making transition challenging. This can be more apparent with students who are first in family to enter tertiary education and studies have shown that different groups of students deal with the demands of moving into HE with varying levels of success. Traditional students, who come from families where HE is seen as the norm, are generally better equipped in terms of confidence and security in their abilities (McMillen 2014). Such families are often able to access secondary education which focusses on developing independent learning skills (McMillen, 2014). In addition these students tend to have increased levels of financial and emotional support from home which includes being seen as equals by their parents as they enter this transitional period (Gallander Wintre et al., 2011). Of particular note is the post-1992 institution which is accessed more by students from non-traditional backgrounds who are more likely to live at home (Leathwood and O’Connell, 2003). This student is also likely to have to combine work with study (Darmody and Fleming, 2009) and spends much shorter periods on campus (Longden, 2004).

This empirical research resonates with the authors’ observations that their students can be likened to the “new “ student discussed above, beginning their first year in tertiary education with a varied understanding of the nature of independent study and a mixture of beliefs about their own ability to perform. This paper recommends that in order to engage these potentially vulnerable students early on in their academic journey, a positive attitude to learning within a HE setting needs to be fostered which will remain with them throughout their academic career, even into employment. It is therefore crucial to ensure a smooth transition into the first year in tertiary education, the importance of which is well documented in the literature as it impacts on a student’s academic performance, their social life and general sense of well-being (Tinto, 2003;2006;2013). Johnston (2010) highlights the importance of universities offering students a first year that meets their expectations, sparks engagement and encourages high standards of efforts and achievement. He believes that university needs to
empower students for participation in their studies, employment and lifelong learning (Johnston 2010), a view which is a key driver for this paper. A study by Hughes and Smail (2014) highlights that social support and integration are the most important ingredients in a smooth transition, both from a peer and a staff perspective.

To this end the authors have developed and implemented a first year teaching innovation called ‘Marketing Downloads’ designed to gradually introduce the concept of independent learning with the aim of building confidence and self-efficacy during the vital transition year and potentially increasing retention rates. This paper will provide an overview of the literature on self-efficacy, academic motivation and student centred learning in order to provide a contextual framework for the design of the intervention. The ‘Marketing Downloads’ initiative will be then be explained, and an initial evaluation of the qualitative study will be provided with further research being outlined. This paper is aimed at academic staff who teach first year students who may be able to use some of the concepts within their classrooms.

SELF-EFFICACY

The importance of student self-efficacy and its link to academic motivation and performance is well-documented in the literature. Self-efficacy is defined as “the levels of confidence individuals have in their ability to execute a course of action or attain specific performance outcomes” (Bandura, 1977 p 191). Studies have highlighted a number of factors which affect the self-efficacy of students within higher educational settings and the fact that it can be positively affected by relevant teaching interventions (van Dinther, Dochy and Segers 2011). The literature recommends that more research is done to examine student and teacher interactions which embed self-efficacy into the curriculum, a research need which Marketing Downloads aims to address. To aid the design and evaluation of the innovation, a variety of self-efficacy studies have been reviewed to fully understand the construct and its drivers.

Shunk, (1995; 2003) has identified that self-efficacy affects the tasks students choose, how much effort they put into performing the task, their perseverance in the face of difficulties and overall performance. (Bandura 1997) concurs with this and takes it further by highlighting four main sources of information which can develop students’ self-efficacy. In summary these are as follows: ‘enactive mastery experiences’ where students draw on their own previous experience of successfully carrying out a task, (Bandura 1997); ‘observational or vicarious experiences’ where students observe others carrying out a task and can use it as a benchmark (Shunk 1987, cited in van Dinther et al. 2011); ‘social persuasion/personal persuasion’ where positive encouragement and communication of belief in a student’s ability to carry out a task is provided by someone who is seen a knowledgeable and reliable (Bandura 1997, Bong and Skaalvik, 2003 cited in van Dinther et al. 2011) as well as feedback on performance. Finally it is no surprise that students’ emotional make up and their reactions to anxiety, stress, tension and excitement can also determine self-efficacy in the face of performing a task (Bandura 1997) and these reactions have been the subject of research within the context of the intervention.

Schunk (1989b;1991 cited in van Dinther et al. 2011), highlights other influences such as the perceived difficulty of the task, the effort spent on it and the support received. Finally, Lane and Lane (2001) have identified various predictors of self-efficacy relating to teaching interventions: it is a short task; it is measured before and after a task; students have knowledge of the task; clear feedback is given; it has clear assessment guidelines; good exemplars are provided. As there are a variety of studies which show significant relationships between self-efficacy and academic performance (Multon et al.,1991; Stajkovic and Luthans, 1998; Lane, Hall and Lane, 2004; Moritz et al., 2000; cited in Devonport and Lane 2006) this theoretical framework has been used to develop the innovation and the research agenda. However as one of the key objectives is also to engage students and develop their independent learning, a review of student centred learning literature has been undertaken so that some of these principles can also be embedded in the design of Marketing Downloads.
STUDENT- CENTRED LEARNING

McCabe and O’Connor (2014) highlight that a student-centred learning approach encourages students to take more responsibility for their learning, and involves letting go of the more traditional approach of lecturers instructing students specifically on a task. According to Tangey (2014), there is not yet a specific definition for student-centred learning but it is broadly associated with the active learning principle and empowers students to take charge of their own learning facilitated by a relationship of trust with their teaching staff. What is clear is that pedagogic practices have shifted in recent years and that a fresh approach is needed to improve motivation, autonomy and achievements within higher education (Fernandes, Flores and Lima, 2012 cited in McCabe and O’Conner, 2014 p 350). This resonates with the discussion about self-efficacy above and the status of the emerging new student.

Hua, Harris and Ollin (cited in McCabe and O’Connor,2014 p 351) discuss the co-operative nature of student centred learning with students interacting with each other and moving away from the traditionally passive relationship with their lecturer. There are four crucial elements to the approach: “active responsibility for learning, proactive management of learning experience, independent knowledge construction and teachers as facilitators (Geven and Sandta cited in McCabe and O’Connor, 2014 p 351). The design of Marketing Downloads embeds these principles. What is crucial is that the institutional culture supports this new type of pedagogical shift and that the right staff are pivotal to its success (Attard et al.2010, Elen et al.,2007 Walsh 2005 cited in McCabe and O’Connor, 2014 ). In addition, students still need the right type of direction and feedback, lecturers providing the role of facilitator, student confidence in their lecturers’ expertise and a flexible teaching style (McCabe and O’Connor, 2014). A safe learning environment where students feel secure, confident and empowered to participate and acquire knowledge is also pivotal to success (McCabe and O’Conner,2014). The ultimate aim is for students to develop their own academic voice and identity to avoid any negative effects on retention and progression (Tangney,2014). The literature identifies a research need to explore and evaluate a student centred approach which has been addressed in this paper.

THE INNOVATION EXPLAINED

Marketing Downloads is a first year learning and assessment innovation which challenges the more traditional practice of learning and assessment as a passive activity and puts the student at the centre of the process, thereby increasing engagement and motivation. It aims to develop students’ capabilities and identities as learners, focussing on the experience of learning and how knowledge is transformed not just reproduced (Lyn and Maclachlan, 2007). Participation in the innovation aims to increase students’ self-efficacy with key skills: independent research, working in a team, presenting findings and challenging and discussing different views; in short starting to develop their own academic voices and nurturing an academic identity. A gentle introduction to the concept of independent learning is a key aim as well as easing the transition to an HE environment and developing a social identity in the classroom.

In summary, the innovation involves students initiating their own research into a real life marketing example of their choice which they believe illustrates a particular theoretical concept, and bringing it to the classroom to carry out a short presentation and lead a classroom debate. Students work in self-selected pairs and have complete freedom to choose the subject of their Download within the context of the module syllabus as well as the timings of presenting their work (up to three Marketing Downloads take place each week over two semesters). The innovation draws on Shunk’s ‘‘observational experiences’’ to aid self-efficacy: students from the previous cohort are invited into the classroom at the start of the academic year to discuss their experience with Downloads and to show their examples (Shunk 1997, cited in van Dinther et al., 2011). Previous examples are also available on the student virtual learning environment for reference. Students are briefed at the start of the year on the learning approach and are given regular positive encouragement to challenge themselves taking on board ‘social/personal persuasion’ sources of self-efficacy (Bandura 1997, Bong and Skaalvik, 2003 cited in van Dinther et al., 2011) Peer and tutor formative and tutor summative feedback is given immediately. Summative feedback is based on the quality of the presentation and the ability to lead a classroom discussion. The Marketing Download is then uploaded on the university’s virtual learning site so it can be used as additional observational experience resources, both for the current and future cohorts. To take the assessment beyond
merely receiving a mark, only a very small percentage mark is attached to the exercise. Instead, the focus of the innovation is to explicitly encourage students to contextualise academic theory taught in the classroom with the practice of marketing within industry. Lane and Lane’s (2001) predictors of self-efficacy for a teaching intervention to have a positive impact are embedded within its design: it is a short task, it is measured before and after task, students have knowledge of task, they are given clear feedback, it has clear assessment guidelines and provides good exemplars. Evaluation before and after participation is the subject of a qualitative study which is now discussed.

**METHOD**

A formal qualitative evaluation has taken place to assess the impact of the initiative: a series of semi-structured focus groups to a sample of participating students \((n=40)\) with a small control group \((n=4)\) of students who did not take part from a total cohort of 80 students. The groups took place at the end of the academic year and participation was voluntary. Students were asked what skills they thought the innovation developed, the impact on their academic understanding, their confidence levels in carrying out the key tasks and explored their opinions on what worked well and what could be improved.

To address Lane and Lane’s (2001) recommendation that an intervention to measure efficacy should be tracked before and after participation in the initiative, a pre and post activity questionnaire was also administered to collect individual qualitative data on changes in confidence levels. Students were asked to freely write down how they felt immediately before and immediately after they participated in Marketing Downloads to assess their emotions and any changes in confidence levels.

**INITIAL RESULTS AND IMPLICATIONS FOR PRACTICE**

From a tutor’s perspective Marketing Downloads has been a huge success. An initial review of the student discussions are encouraging and suggest that as a teaching intervention, Marketing Downloads has the potential to develop students’ confidence and self-efficacy within their chosen course of study. They appear to actively look forward to the presentation and enjoy the freedom they are given to research and discuss a topic of interest to them. Classroom debates are lively and students have used some of the examples in their final written exams. Downloads also appears to have had a notable effect on the development of relationships with each other, their social identity and a classroom identity, all crucial for the transition year. The value of Marketing Downloads can be seen in how it nurtures student confidence by embedding key academic and social skills development within the activity. A full thematic analysis of the focus groups is currently in progress but initial review indicates some very positive views.

“**It really did increase our confidence, honestly I mean the day we left we were flying**”

“You boost each other’s confidence as well because you rely on each other too”

“It was a good experience to be in front of the class and to talk about something that you prepared and you liked the subject because you chose it”

“You learn presentation skills... eye contact is very important”

“Because you were relaxed it made it easier for us to just say what we had to say and take our time”

“I could learn from what other people did….It’s a good way of testing how much you have learnt and it was almost like a good revision technique.”

Initial findings suggest that value is placed on the peers discussion in the classroom, and the opportunity to learn from other students’ participation is enjoyed. In short, the assessment has resulted in increased engagement and motivation and provisional findings indicate an increase in self-efficacy when carrying out key academic skills during this crucial transition year. The next stage in study will be to complete a full analysis of the focus groups and pre and post questionnaire data with a view to refining the innovation for the next academic year.
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A tale of two networks: Contrasting sport for development and peace networks

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Abstract

Objective:
The objective of this paper is to better understand relationships between sport for development and peace (SDP) networks and SDP project marketing.

Method:
A content analysis of the United-Nations Office on Sport for Development and Peace (UNOSDP) annual reports, combined with a literature review, is synthesized into two conceptual models.

Findings:
Some coherence, but much contrast, appears between how academics and UNOSDP practitioners conceive SDP networks. An apparent lack of knowledge about UNOSDP networks established with sport associations, corporate sponsors and UN entities is highlighted.

Conclusions:
Important academic questions, such as “why is the currently dominant sport for development and peace network built on unproven theory”, are raised. It is suggested that many SDP agencies may be hesitant to change theoretical underpinnings since such a move may decrease the overall brand value and associated seductive power of SDP.

Recommendations of the paper:
An invitation to debate the theoretical underpinnings of SDP and the influence that shifting funding priorities may have on SDP networks is brought to the fore.
1. INTRODUCTION
Recent shifts in funding practices, commonly attributed to new public management (Gendron, CooperandTownley, 2007; Larner, 2000; Pollitt and Dan, 2011), have left many public organizations scrambling to adjust their marketing strategies in order to diversify their funding sources. It is unsurprising then that the United-Nations (UN) also follows this trend and have adjusted to this changing landscape (Naik, 2013). A tangible example of this phenomenon occurred on June 6th, 2013, when the UN office on sport for development and peace (UNSODP) entered a partnership with Samsung Electronics Co. Arguably, UNOSDP’s brand value, which is the result of a brand’s culture, core values and reputation (Mikáčová and Gavlaková, 2014) and represents the financial value to a company (Weber, 2008), likely contributed to Samsung’s decisions to partner with them. Yet, “as a brand crystallizes its personality through strong brand attributes and brand associations” (Richelieu and Lessard, 2014, p.43), the financial value of the UNOSDP brand to stakeholders such as Samsung is conceivably influenced by the perceived success and failure of an extensive network of sport for development and peace (SDP) partners. Put differently, the ability of the UNOSDP to seduce funding partners may depend not only on their own success, but also on the perceived success of all organisations involved with SDP. This situation raises an important academic question of “what is the relationship between a public organisation’s network, its perceived brand value and their power to seduce stakeholders and funders”.

This question is importance since one impact of the rise in funding relationships is thought to be increased accountability resulting from the reporting mechanisms demanded by corporate partners (Naik, 2013). Put differently, improving UNOSDP brand value in order to seduce funding partners requires improved accountability. This need for improved accountability suggests that building funding relationships imposes an increase in monitoring and evaluation (M&E) not only of internal operations, but plausibly of the larger SDP network as well. This state of affairs may be one motivation behind the UNOSDP’s repeated (2011, 2013) call for “the strengthening of common evaluation and monitoring tools on the impact of sport in social and economic development and for the interdisciplinary research to develop scientific evidence and good practices in these fields”. However, as penned, this call raises matters of concern for practitioners, who invest time and resources into SDP schemes, and for academics alike, since it seems to question if and how SDP actually works. Thus, the aim of this paper is to better understand relationships between SDP networks, which are built both by and through M&E efforts, and SDP marketing.

2. METHODOLOGY
Network theory is an “especially auspicious starting place for theory building” in the field of SDP (Schnitzer, Stephenson, Zanotti and Stivachtis, 2013) which is re-enforced by Weick’s (1996) claims that science should focus on relationships. Furthermore, Hayhurst, Wilson and Frisby (2011) argue that network theory is a promising, yet under utilized, lens through which to examine SDP. Arguably, one pertinent first step towards implementing a network methodology to the field of SDP could be to identify the actors involved with the UNOSDP monitoring and evaluation network. Thus, our first SDP M&E network is extracted from a content analysis of the UNOSDP’s annual reports with a particular focus on their most recent report. Annual reports appear as a promising avenues for research since they assemble valuable marketing, accounting as well a managerial information and are a valuable sources of field material for studying practices in organizations, because “a prolonged direct observation of a workplace is often difficult to conduct” (Duff, 2011, p. 22). Hence, our first methodology filters and describes, without disciplining (Latour, 2005), one conceptual SDP M&E network that synthesizes the network that the UNOSDP themselves describes. The network partners identified by the UNOSDP are crystalized in Figure 1.
Yet, Latour (2005, p.31) argues that for every network or “group that is defined, a list of anti-groups is set up as well” (italics in original). As the reader will notice that Academia is identified by the UNOSDP as one of their significant partners (Figure 1, flag A), we chose this group in order to serve as a Latourian anti-group which will serve to expand our analysis. Moreover, demonstrating how a significant UNOSDP partner such as academia views SDP M&E networks will conceivably provide opportunities to discover convergence and contrasts between different visions of SDP M&E networks. A model that recreates how Academia views SDP M&E networks was collated from peer reviewed literature collected though ProQuest, Scopus and Web of Science, into which “peace and sport”, “sport and development” and “sport evaluation and monitoring” were used as keywords. This specific effort proved to be timely considering the recent growth in academic evidence that sport may contribute to peace-building or development (Beutler, 2008; Calloway, 2004; Crowther, 2004; Coalter, 2010; Darnell and Hayhurst, 2011; Georgiadis and Syrigos, 2009; Schlenker, Sugden&Burdsey, 2014; Willis 2000). From these works, SDP M&E relationships highlighted in the extant literature were extracted. Yet, as describing all networks presented in these scholarly works would be beyond the limits of this paper, this paper will focus on demonstrating the actors involved with what appears as the currently dominant theoretical SDP model. Put differently, this second model synthesizes actors involved in the monitoring and evaluation of what appears to be the dominant way of using sport as a peacebuilding or development tool. The SDP M&E network obtained through an analysis of 150 peer reviewed papers is presented in Figure 2.

3. FINDINGS
3.1 UNOSDP’s view of the SDP M&E network
Figure 1 facilitates our understanding that each connection between actors identified by the UNOSDP in their annual report represents different and unique relationships. As such, what is considered as important inputs, activities, outputs, outcomes and impacts, and thus worthy of monitoring or evaluating, may also be different for each partner in a given dyad. This multiplicity of priorities may exacerbate M&E challenges when issues such as individual priorities, cultural distance and language barriers create dissonance and confusion about different actors’ priorities. For instance, Kay (2012, p. 898) explains how seemingly simple things, such as unfamiliar M&E language, can create confusion and ambiguity:

“We have to constantly remember what a goal, purpose, objective or output means to each other. We have learned painfully that all of these terms do not mean the same to everyone. The whole thing has been reduced to a farce. We laugh in workshops when you Northerners aren’t there. ‘Is that a goal? No, maybe it’s an output!’”

Divergent priorities may further be exacerbated by what Lindsey and Grattan (2012) describe as the increasingly long aid-chain in which funding and resources pass through several agencies, such as civil society organization and local NGO’s before reaching the recipients, such as the identified indirect connection established between the UNOSDP and grassroots organizations.
As Figure 1 portrays connections as being reciprocal, it is pertinent to consider that both partners in a connection will be monitoring and evaluating each other. Put differently, these relationships may function on the macro level in the same way that a SDP agency would evaluate and monitor its volunteers' performance, while volunteers concomitantly evaluate health and safety issues, volunteer appreciation programs and overall respect of contractual agreements on the part of the SDP agency. As such, considering that connections work both ways may provide interesting new perspectives. For instance, it appears plausible that grassroots SDP organisations may ground their work on the UN’s increasingly taken for granted claim that sport can influence peace or development in order to gain credibility needed to obtain external funding. Yet, justifying their operations with UN facts that SDP works may require that grassroots organisations remain coherent with the rules and diktats set by the UN. In other words, if a SDP agency depends on the UN’s credibility to in order to justify their existence, it appears plausible that they will be increasingly obliged to follow the UN’s push for more M&E, whether they really need this or not. Hence, through forms of self-discipline (Foucault, 1988), SDP agencies may increase M&E processes simply because this is what they believe is expected of them.

3.2 Literature review of Academia’s view of the SDP M&E network

Our analysis of how academia views the SDP M&E network initially reveals a generally positive view of the broad utility and potential of sport (Armstrong, 2004; Beutler, 2008; Calloway, 2004; Darnell and Hayhurst, 2011; Gasser and Levinsen, 2004; Höglund and Sundberg, 2008; Kidd, 2008; Schlenkendorf, 2010; Willis, 2000; Wilson, 2012). Specific authors studied the positive influence of SDP in Liberia and former Yugoslavia (Armstrong, 2002, 2004; Gasser and Levinsen, 2004.), the contributions of a soccer program on the lives of the...
inhabitants of the Mathare Valley, Kenya (Willis, 2000), while Kidd (2007) identifies Football 4 Peace and Open Fun Football Schools as two examples of best practices of sport on the ground. Such case studies have contributed to the claim that “well designed sport-based initiatives are practical and cost-effective tools to achieve objectives in development and peace” (Beutler, 2008, p.361). Dugan (1996) provides insight into how sport may be transformed into this cost-effective tool for development and/or peace. Through Dugan’s (1996) nested theory, Kidd (2007) explains that sport may influence conflicts that nests inside a relationship that is linked to a specific issue, subsystem and contextual system. Figure 2 synthesizes academia’s views on how corporate funded SDP projects, reinforced by UN fact, indoctrinate sport values into children athletes through volunteers, staff and spokespersons, in an effort to ultimately produce a “trickle up” influence on context.

**Figure 2: Academia’s SDP M&E network**

4. **DISCUSSION AND IMPLICATIONS**

Figure 2 highlights that the most commonsensical understandings of the theoretical potential of SDP implies a trickle-up effect though which individuals indoctrinated with sport related character, work ethics, discipline, fair play and other socially approved ideals (Calloway, 2004; Kidd, 2007, p.1) have the power to influence their context. Yet, authors such as Miracle and Rees (1994) contest this view whereas Frey and Eitzen (1991, p.506) argue that “Sport participation has no general effect on self-image; it does not reduce prejudice; it is not necessary for leadership development and social adjustment is not necessarily enhanced”, which clearly
contradicts the “fact” that sport builds character. Others even raise the question if SDP projects affect children at all. Darnell (2007, p.573), for instance, asks who is really changed by the encounter between volunteers and children: “Quite honestly, none of these children will probably be changed too drastically by our short visit. But I know that many of these athletes will go home changed themselves. And we could add that it may be pertinent to consider that the change in volunteer attitudes and behaviour may be greater than the change in the child, and thus should be taken into consideration from a M&E perspective (Donnelly, Atkinson, Boyle and Szto, 2012).

Beyond the important, yet unresolved, question of does sport build character, it also appears pertinent to ask if indoctrinated children have the power to transmit any acquired values to their families and communities. For instance, in certain communities, parents do not value children and cannot conceive young people beyond political, economic and military obligations (Armstrong, 2004). Thus, as the notion of childhood may be culturally and contextually specific, it may appear somewhat naïve to argue that children athletes will be able to systematically pass on some hypothetical sport generated values. Such unresolved theoretical debates about if and how sport impacts development or peace may have contributed to what Cornelissen (2011, p.503) describes as the many conceptual and operational deficiencies in SDP “which offers little in the way of any evidence base for the claim that sport has intrinsic social benefits”. Additionally, Schulenkorf (2010, p.292) argues that “it is too much to expect that sport events have a major impact on overall community relations in the absence of a political settlement in divided societies”. Moreover, Keim (2006, p.103) suggests that “On its own, sport cannot reverse poverty or prevent crime or violence, solve unemployment, stop corruption and respect human right”. Put differently, there are clearly signs of academic hesitation around any trickle-up influence of children on context. Hence, the impact of sport, especially as it is generally understood, may be limited and that many factors will influence its ability to affect context. Thus, it appears plausible that the hegemonic thought mobilised to justify many SDP projects may be flawed, which raises the important question of why SDP agencies anchor their operations, M&E networks and by extension, marketing priorities, on it? Some tentative answers to this question will be provided in the next section.

5. LIMITS AND AVENUES FOR FUTURE RESEARCH

First, we concede that our conceptual models have the weakness of not revealing much about how context affects the potential of sport to contribute to peace or development or about how this may affect cause-branding initiatives. More specifically, as most of the SDP agencies studied in the reviewed literature operate in negative peace environments, little empirical evidence is available about the potential of SDP in peace-keeping, civil-war, limited inter-national war situations or in completely nihilistic societies. Thus, future research could provide nuances about how SDP M&E networks could take into consideration that the “operating environment in developing and emerging economies is characterised by several issues which make traditional project management approaches and tools in the ‘developed world’ less appropriate” (Crawford and Bryce, 2003, p.364).

A second limit is that answering the question of why SDP agencies build their M&E networks on apparently flawed theory is beyond the scope of this paper. Yet, this important academic question provides promising avenues for further research. For instance, more debate is needed about the impact of competitive funding on the choice of theoretical underpinnings for SDP projects. As a case in point, since most SDP agencies, including the UNOSDP, depend on state and/or private funding, future research could mobilize an Actor-Network Theory (Latour, 2005) and describe how SDP actors get others to do what they want them to do. Providing more details about SDP funding networks and relationships may reveal valuable understanding about the somewhat hitherto neglected connections built by Neo-liberal, or new public management, driven Global-North funding agencies who increase competition between SDP agencies in order to obtain a share of rarefying resources.
Both figures do highlight, however, that negotiation, power (Straume and Steen-Johnsen, 2012) seduction, nagging (Hayhurst, 2009) or nudging (Thaler and Sunstein, 2009) are likely needed in order to get others to do what is wanted of them, or put differently, to join the SDP network. Yet, the somewhat linear models we propose may have left out much of the messy complexity existing on the ground. For instance, we are unable to determine, at this time, which of these actor marshalling tactics are most used. Additionally, both models seems to omit the probability of actors having to answer to simultaneous demands of a multiple number of actors (Rowley, 1997) or actor-networks.

Furthermore, focusing on marketing efforts required to seduce funding partners into joining a specific SDP network may also provide insight into the contrasts between both models. For instance, in Figure 1, we can observe the apparent priority of the UNOSDP to build partnerships with sports federations, other UN entities as well as corporate sponsors. However, since such partnerships are not present in Figure 2, we may deduce that there is a lack of understanding about marketing strategies required to build these relationships and that this may represent a significant gap in acquired knowledge. Thus researching how and why these relationships are established may provide much insight into the rich and complex mechanics of UN politics and power as well as better understanding of marketing efforts needed to develop a unique language, agenda or even identity inside the increasingly “crowded and competitive development arena” (Browne, 2001, p. 67).

By considering that States may continue to push for funding reductions, it appears plausible that SDP agencies may need to adapt their networks, increase the time and effort required to obtain funding and implement increasingly complex management information systems in order to feed sponsor’s marketing driven M&E processes (Crawford and Bryce, 2003). However, apparent contradictions in funding realities may have new, and so far unconsidered, implications. For example, considering that “sport for peace programs commonly rely on competitive funding from external sources, it should perhaps be unsurprising that such organizations might not risk doing assessments, or report findings of such assessment” (Wilson, 2012, p.145), it appears conceivable that deception tactics may be employed by SDP agencies who don’t want to risk breaking the illusion that sport builds character. As such, reporting may actually discourage transparency and openness as agencies may withhold information that might negatively impact their organization (Kay, 2012). Pushing this line of thought leads us to consider that the dependence on external funders may also encourage SDP agencies to change their operations in order to demonstrate measurable outputs and marketable anecdotes, instead of concentrating on long term impacts needed for peace-building or development (Cooley and Ron, 2002, p.6). Hence, future research could explore if shifting reporting priorities affect how SDP projects are marketed. For instance, do SDP agencies now need a brand promise that prioritises providing marketable results for cause-brand strategies rather than vague claims of an ability to affect context through sport?

6. CONCLUSION
This paper picks up the UN’s SDP M&E challenge by shedding light on SDP M&E networks and provides insight about SDP networks that are built, both by and through M&E efforts as well as their relationship with SDP marketing efforts. By crystallizing diverging visions of SDP M&E networks, this paper contributes to ongoing academic debates in this field and provides relevant foundations for future research. Analyzing the resulting networks, however, places us in the awkward position of questioning the theory on which many SDP M&E networks appear to be built. Competition for rarefying resources may be one possible answer as to why SDP agencies base their operations on unproven, yet highly seductive, theory. As such, SDP agencies might strategically want funding agencies to cling to commonly held beliefs that sport builds character and that indoctrinated children may make a difference in their communities. The motivation behind this tactic may be
that stakeholders that hold such commonsensical belief about the power of sport may simplify the marketing efforts required to seduce funders into choosing SDP agencies instead of other valuable social causes.

This is not to say that sport can’t contribute significantly to peace and/or development. However, this paper argues that SDP agencies may need to refocus their brand promises and use sport as a sustainable and effective long term tool for changing the odds for as many people possible, rather that providing welcome but rather limited short term respite to a handful of participants (Coalter, 2013). Such a strategic shift could see SDP operations that are currently "remedial, but […] seem less effective in altering or transforming pathological social structures" (Cornelissen, 2011, p. 507), evolve into something more powerful such as networks that would contribute to changing, over time, the very social structures that lead to inequality, poverty and war.

References


Conceptual dissonance in sport for development and peace

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Abstract
Objective:
This paper analyses the relationship between long standing ideas, traditions and practices in sport and the new trend of using sport for development and peace (SDP). This analysis is important since SDP carries “historical and cultural baggage especially from its hegemonic core” (Darnell & Hayhurst, 2011, p. 185) that may affect SDP management and marketing practices today.

Method:
An integrative literature review was used to collate historical concepts that affect SDP.

Findings:
Historical baggage contributes to the presence of conceptual dissonance between how and why sport was used then and now which may create confusion in the minds of potential SDP stakeholders.

Conclusions:
SDP practitioners need to remain cognizant of conceptual dissonance inherent to sport when they design SDP projects and mitigate resulting confusion when branding sport for development and peace projects.

Recommendations of the paper:
Since little research has addressed the historical baggage of sport and its relationship with the current SDP trend, this research may prove valuable to SDP scholars, stakeholders and managers. It is argued that conceiving SDP projects that propose activities that are less value-laden than sports, or changing the rules of traditional sports in order to be more inclusive would contribute to mitigate conceptual dissonance in SDP.

Keywords: Sport for development and peace marketing.

1. INTRODUCTION
Doping, cheating, racism and sexism are just a few sport related controversies that have sent large sporting organizations such as the International Olympic Committee (IOC) scrambling to find ways to rehabilitate their brands. As a result, the IOC now claims to contribute to a better world by supporting six social causes (International Olympic committee, 2013). Two social causes targeted by Olympism, notably sport for development and sport for peace, have recently been described as a growing industry (Cornelissen, 2011).

Concurrently, the field of sport for development and peace (SDP) research is also categorized as an emerging, yet under theorized academic field (Cardenas, 2013; Coalter, 2010; Schnitzer et al., 2013) in which scholars have so far mainly focused on the potential of sport for development and peace (SDP) (Armstrong, 2004; Beutler, 2008; Calloway, 2004; Darnell & Hayhurst, 2011; Dyck, 2011; Gasser & Levinsen, 2004; Höglund & Sunberg, 2008; Kidd, 2008; Shulenkorf, 2010; Willis 2000; Wilson, 2012).

However, other SDP scholars, such as Donnelly et al. (2011, p. 591) have focused on the limits of SDP and have argued that positive contributions of sport are “often based on anecdotal, speculative or naïve empirical
grounds”. Wilson (2012, p.2) also reminds us that “the problem with upside portrayals of sport is that they are, at best, partial and somewhat deceiving, and at worst, dangerously one-sided and simplistic”. Moreover, SDP appears to carry significant “historical and cultural baggage, especially from its hegemonic core” (Darnell & Hayhurst, 2011, p.185). Yet, little appears to be known about the relationship between the long standing ideas, traditions and practices in sport and SDP. Thus, more insight is needed about how sport baggage may affect SDP manager’s perception of both the local and cultural context in which they operate (Brière et al., 2015). More specifically, this paper will demonstrate that using sport for development and/or peace today is not necessarily something new. Rather, what is new is that the values associated with new trend of proposing sport as a tool for development or peace are significantly different than in dominant sporting traditions. This resulting conceptual dissonance between SDP and dominant sporting values will conceivably require managers to modify how SDP projects are proposed and implemented in order to reduce potential confusion in the mind of their stakeholders.

2. METHODOLOGY
In order to better understand the epistemology of SDP and explore how the idea of sport was constructed over time, we approached sport history like an onion “of which the modern world constitutes only the surface and whose layers are to be peeled back in the search for historical understanding. [...] But the peeling back of the onion’s layers is a fascinating, challenging – and of overwhelming importance to us today, as we seek to grasp our past’s lessons for our future” (Diamond, 1999, p.11). To this end, we analysed 124 peer reviewed articles and 24 books from which we collated dominant historical periods, or layers, that impact the current efforts of positioning sport as a tool for development and peace. This integrative review process is a pertinent method for contributing to emerging research fields as it summarizes past empirical research in a way that contributes to theory (Whitemore & Knafl, 2005). This methodology also offers the advantage of considering practical, empirical, as well as theoretical data related to a phenomenon (Broome, 1993) in a way that produces alternative models or conceptual frameworks (Torraco, 2005). Hence, we analyzed what sports were played, by whom and with what objects in order to build a conceptual framework that provides insight about sport’s baggage that SDP managers may need to consider.

3. LITERATURE REVIEW
3.1 First layer of sport related concepts: (re) inventing sport for development and/or peace – mid 1990’s to today

South Africa’s successful cohesion building strategy that utilized, amongst other activities and events, the Rugby World Cup in 1995, is an example of the potential of SDP (Cornelissen, 2004). Similar success stories, combined with pressure from SDP agencies, influenced the United-Nations (UN) nomination of 2005 as the International Year for Sports and Physical education, the 2001 creation of UN Office of sport for development and peace (Kidd, 2008) and the UN granting of observer status to the IOC.

This trend does not, however, imply that children have spontaneously started a grass roots movement driven by natural play instincts. Rather, the literature suggests that Non-Governmental Organizations (NGO), and legions of volunteers, are needed to “make” them play 46 different types of sport (Armstrong, 2004; Coalter 2010; Darnell, 2007; Darnell & Hayhurst, 2012; Guest, 2009; Hartmann & Kwauk, 2011). Most SDP projects are underpinned by the argument that sport related values indoctrinated into child athletes have a trickle-up effect on their communities (Hayhurst, 2009; Levermore, 2010) and that sport provides unique settings to break the ice between people who may never have spoken (Armstrong, 2002; Christie, 2006; Lederach, 1997). However, others posit that sport’s effect on development and/or peace is limited, that it mostly contributes to the Neo-liberal development model (Harvey, 2005); that it re-enforces some forms of neo-colonialism (Giulianotti, 2011) and the role of the benevolent North (Darnell, 2007). Many of these concepts may be a reflection of tensions between nations that have taken shape in the third layer of our analysis. Yet, before exploring the links between sport and nationalism, we must discuss the more recent “sport as a right” period in the evolution of SDP.

3.2 Second layer: sport as a right.

Current arguments surrounding the pertinence of sport in the field of development and peace have evolved from a sport as a right movement (Lange & Haugsjø, 2006). These efforts began in 1948 with the Universal Declaration of Human Rights and since, advocates have constructed a series of supporting documents such as the International Charter on Physical Education and Sport (1978), the International Convention on the Rights of

The transformation of sport, play and leisure from simple physical activities into a right also required the participation of a growing body of NGOsthat allow athletes to now take advantage of their new rights. Thus, when considering the sport related objects in this period, scholars could move beyond basic sport equipmentand alsoconsider the series of legal documents required to grant the right to sport and play onto disenfranchised people. Yet, it appears somewhat ironic that the legal documents required to benevolently grant the right to play resemble the charters, constitutions and laws required to control and colonised discovered others. Put differently, only people that have been dominated by external powers may need to be given the right to play in the first place.

3.3 Third layer: The 1900 to mid-1990’s, sport for nationalism
The idea of sport as a right appears to have evolved from a very different type of relationship with sport. In his essay “the sporting spirit”, Orwell (1945) argued that “Serious sport has nothing to do with fair play. It is bound up with hatred, jealousy, boastfulness, disregard of all rules and sadistic pleasure in witnessing violence: in other words it is war minus the shooting”. Thus, this historical iteration of sport transmitted different values than those proposed by the current SDP movement. An extreme example of this was Nazi Germany use of the 1936 Olympics, as well as the infamous 1942 Match of Death (Riordan, 2006), in order to promote the superiority of the Arian race.

Moreover, Beacom (1998, p. 66) posits that, during this period, sport was a “medium through which national prestige may be promoted on the international stage”. Setting world records and compiling medal counts became bragging tactics nations used to establish national superiority (Crowther, 2004). Dyerson (2010) also claims that sport fuels nationalism in a way that facilitates citizen’s ability to overlook local differences and to focus on others (Frey &Eitzen, 1991). Furthermore, the influence of sport on nationalism has arguably been augmented through mass media as “states sought ways to position themselves in the global hierarchy of nations” (Nauright, 2004, p. 1325). Thus, Dyerson (2003, p. 97) explains that sport had “descended into a bread and circus diversion for the techno-capitalist civilization—a distilled romantic opiate for the miserable masses designed to keep their eyes off more important realities”. The power of sport spectacle as a tool to maintain social peace may explain, in part, the dramatic rise in the importance given to the professional athlete, which led the masses to mostly interact with sport as spectators (Dyerson, 2003).

Through the power of mass media, Cornell, (2002) argues that the use of militaristic terms when describing a match such as blitz, long bomb, the trenches, warriors, massacre or annihilation re-enforces the subtle linksthat evolved between sport and violence. More overtly, Armstrong (2004, p.475) explains that sport “is […] fraught with ideas of exclusion, elitism, militarism, ethnopolitical tension and used as a political vehicle the [whole] world over”. For instance, soccer was a catalyst that transformed regional tensions into war between El Salvador and Honduras in 1969 (Crowther, 2004; Falcous and Silk, 2005, p.59), and served as propaganda tools for nationalists in order to sparked the 1990 Yugoslav war. Furthermore, numerous mega-sporting events such as the Munich, Montreal and Moscow Olympics have also served as political arenas for promoting political discourse (Crossman &Lappage, 1992; Crowther, 2004; McKenzie, 2003; Monnin & Monnin, 2008; Peacock, 2008).

In a more nuanced approach, Dyerson (2010, p. 92) opines that “the potential of sport for unity and disunity should never be underestimated” as this period also saw sport contribute to throwing off the yoke of colonization (Giulianotti, 2011). Thus, sport is seen to have both helped keep the British Empire together for so long, but also allowed “the Empire to decolonize on a friendlier basis than any other in the worlds history” (Perkin, 1989: 145). Perkin’s argument should cause managers to reflect on the relationship between British sport and colonisation efforts and how this may affect SDP projects today. This line of thought demonstrates a need to analyse even longer standing traditions, ideas and perceptions contained in the SDP baggage.

3.4 Fourth layer: Sport for PaxBritanica
During the industrial revolution, sport in England re-enforced differences. For instance, amateur sport, such as fox hunting, golf, lawn tennis and polo became technologies for “socializing and pleasure for imperial upper-class males” (Kidd &Donnelly, 2000, p.136). In comparison, Day, Gordon and Fink, (2012, p. 399) explain that the increase in knowledge work that was spurred by the industrial revolution continues to “move increasingly in a team-based direction, (in which) the motivation and ability to cooperate and collaborate with others is vitally important”. Thiss encouraged the development of competitive contact team sport such as rugby, ice hockey and football (Cornell, 2002, p. 31) that specifically targeted the masses. In contrast with elite sport, and most sports
from previous historical periods, these sports valued not only violent physical contact, but also introduced the new concept of selfless commitment to the team.

This period is also at the source of the popular, and often taken for granted (Cornell, 2002), belief that sport builds values such as loyalty, team spirit, discipline, fair play as well as a new set of socially approved pugnacious and bellicose values. An impact of this lingering belief is that sports “socializing and transformative properties ensured that it would be used as part of the processes of colonization” (Coalter, 2010, p. 296) through which British colonies “caught British sport in the same way in which they contracted influenza or smallpox” (Donnelly, 1996, p. 241). Hence, throughout the Empire, Victorian sport replaced, sometimes violently, bodily and movement cultures with northern Imperialist ideals (Darnell, 2007, p. 565). In short, considering sport-for-colonisation may provide new lenses for analysing the current trend of State funded northern NGOs exporting SDP to the global south (Guest, 2009; Kidd, 2008; Levermore & Beacom, 2009).

However, in contrast to British sporting traditions, France at this time depended on a conscript army and thought that gymnastics in schools could produce a healthier and more robust recruit. Thus, France introduced law 27-01-1880 that dictated that gymnastics were now obligatory and that all teaching establishments dependent of State, Department or Communal authority now had to offer physical education with expressed hygienic, eugenic as well as militaristic goals (Arnaud, 1989, p. 30). Thus, in both these cultures, Sport became an effective cog in militaristic strategies and looking at sport through this specific lens brings us to consider the next dominant layer.

3.5 Fifth Layer: Sport for PaxRomana

Where the British valued competitive contact sport, the roman masses communed with sport mostly as spectators as the men that participated in sport were often slaves or prisoners of war. Sport entertainment was provided by popular chariot races and by combatants who fought either others or more commonly, wild animals, in a fighting style that caricatured actual combat. As such, the objects used, such as nets, tridents, oversized helmets and only partial body armour, did not imitate how a legionnaire would fight, but were mobilized as a way to transmit the militaristic values of this society. Such technologies contributed to constructing a “brutal, militaristic society whose character was most clearly reflected in the bloodthirsty spectacles of the arena” and the “civilization that most glorified games and war” (Cornell, 2002, p. 34). Furthermore, this zeitgeist contributed to creating the first historical period in which sport was marshalled to control the People through mass spectacle (Toner, 1995). Hence, using violent sport to entertain and divert the masses appears to be one long standing tactic that still influences our conception of what sport is today. As a case in point, the current popularity of ice hockey, American football and mixed martial arts demonstrates a continuing fascination with violent spectacle. So much so, the link between violence and sport may represent another taken for granted characteristic of sport that SDP managers need to consider when designing SDP projects.

3.6 Sixth layer: Ancient Olympic sport

“Athletics are a preparation for war, and war for athletics”

Homer

One contrast between the Greeks and Roman sport was their use of sport to prepare for war as reflected in their penchant for competitions that had direct links to war such as chariot races, javelin throwing, 400 meter races in full armour (hoplites), boxing and pankration (Cornell, 2002). Furthermore, sport as a tool for war became a tangible representation of the forces that maintained social peace. As such, sport undergirded a military cast system that maintained most men and almost all the women of the Mediterranean as slaves for over a thousand years (Kidd, 2007, p. 6).

Moreover, in antiquity, only the most gifted free men would be chosen to represent the City States, whilst women and slaves were forbidden (Kidd, 2007). To increase the chance of winning and bringing glory to the City, chosen elite athletes would be given special training, diets and other advantages. In other words, the idea that specialized athletes, which eventually lead to paid sport workers, is located at the very start of sport’s history (Crowther, 1999). Thus, reserving sport for a certain class of citizens may have contributed to the long standing issues of racism, sexism and homophobia that still plague sports today.

In order to crystallise our understanding of the key elements of SDP baggage, Table 1 synthesises long standing ideas and traditions that may influence SDP management today.
Table 4: A synthesized conceptual content of SDP Baggage.

<table>
<thead>
<tr>
<th>First layer: (re) inventing sport for peace and development</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sponsored Northern NGO’s mobilise volunteer providers; Largely based on an untested trickle-up theory; Participation more</td>
</tr>
<tr>
<td>important than winning; May serve to re-enforce Neo-colonialism; Many stakeholders, such as the IOC adopts SDP as a cause.</td>
</tr>
<tr>
<td>Second layer: sport as a right</td>
</tr>
<tr>
<td>• Supported by numerous legal and UN documents; Sport remains highly politicized; Shift from spectator to participant; Rise of</td>
</tr>
<tr>
<td>the IOC as an SDP advocate.</td>
</tr>
<tr>
<td>Third layer: “war minus the shooting”</td>
</tr>
<tr>
<td>• Competitive team and Olympic sport serve political agendas, such as nationalism; Rise of professional athletes; Sport spectacle</td>
</tr>
<tr>
<td>as entertainment and diversion; Winning is more important than participation; Sport for decolonisation.</td>
</tr>
<tr>
<td>Fourth layer: Victorian sport traditions</td>
</tr>
<tr>
<td>• Indoctrination of industrial era values through competitive contact team sport for the masses in which participation is</td>
</tr>
<tr>
<td>important; Elite amateur sport for the wealthy in which winning is important; Elites often use weapons (for fencing, pistol</td>
</tr>
<tr>
<td>shooting, fox hunting); Masses use balls, nets and fields; Sport re-enforces class structure; Sport reserved for white men;</td>
</tr>
<tr>
<td>Sport used to prepare for war.</td>
</tr>
<tr>
<td>Fifth layer: Roman sport traditions</td>
</tr>
<tr>
<td>• Transfer of militaristic values and Roman dominance through spectacle; Winning is more important than participation;</td>
</tr>
<tr>
<td>Participation often limited to slaves or prisoners; Weapons and armor often used; Sport not used to prepare for war.</td>
</tr>
<tr>
<td>Sixth layer: Greek sport traditions</td>
</tr>
<tr>
<td>• Sport reserved for elite free men; Winning more important than participation; Sport used as a system to maintain a severe</td>
</tr>
<tr>
<td>cast system that enslaved most residents; Weapons and armor often used; Sport as a means to prepare for war.</td>
</tr>
</tbody>
</table>

4. FINDINGS
The analysis of the data collated in Table 1 demonstrates numerous incongruities between traditional sport and SDP which may contribute to conceptual dissonance. For instance, objects used by SDP are conceptually very different than objects used by many traditional sports. Table 2 provides a framework for demonstrating the conceptual dissonance between who participates in sport and SDP, how they interacted with sport and why.

Table 2: Dominant SDP concepts compared to traditional sport concepts.

| □ Children | □ Adult white males |
| □ Amateur | □ Professionals |
| □ From the masses | □ Mostly from the social Elite |
| □ Volunteers | |
| □ Free citizens | |

| □ For fun | □ Competitive |
| □ Participative | □ Played to win |
| □ Politically neutral | □ Highly political |

| □ As a participant | □ As a spectator |
| □ Through disciplining of participant | |
| □ Through Spectacle | |
| □ Sport as a right | |
| □ Militaristic and industrial values | |
| □ Empowerment | |
| □ Colonialism | |
| □ Neo-liberalism | |
| □ Maintains class structure | |
| □ Neo-colonialism | |
| □ De-colonialism | |

5. IMPLICATIONS
This analysis demonstrates that managers need to remain cognizant of the idea that SDP may not only be conceptually very different, but sometimes in complete opposition, to longer standing sport traditions. This
conceptual dissonance increases the risk of creating confusion in the minds of stakeholders since what is being proposed by the SDP movement may not be quickly understood by all, which in turn may reduce the seductive power of SDP. Moreover, the impact of conceptual dissonance may be linked to co-branding theory which suggests that pairing a brand and a social cause may produce some positive image transfer between the social cause and its brand sponsor (Xing & Chalip, 2006). Put differently, the messages conveyed by a social cause and its sponsor’s brand should be congruent for effective marketing (Zafer Erdogan, 1999). Thus, the impact of conceptual dissonance may be significant since SDP agencies depend on competitive funding for survival (Wilson, 2012) and, by extension, need to remember that sport is “...neither essentially good nor bad. It is a social construct and its role and function depends largely on what we make of it and how it is consumed” (Sugden, 2005, p. 251). By reflecting that “no other activity so paradoxically combines the serious with the frivolous, playfulness with intensity, and the ideological with the structural” (Frey & Eitzen, 1991, p. 504), there appears a significant risk that stakeholders will naturally think that traditional sport values will be implemented in SDP. The resulting confusion could contribute to stakeholder’s disenchantment, which may lead them to distance themselves with SDP, since the projects offered are not what they thought they would be.

Hence, un-mitigated conceptual dissonance that creates confusion may have significant long-term impacts on decisions by stakeholders to get involved with SDP. As a result, SDP managers may have to either explain how their projects are different from commonly understood sport, which would require investing considerable time and resources, or choose activities that do not carry as much historical baggage as sports. For example, the Canadian SDP NGO, Right To Play, seems to have understood this as its main focus is on play, which is arguably far less value laden than sport. Mitigating conceptual dissonance may also imply modifying the rules of a soccer program in order to be more inclusive than then dominant trend on focusing uniquely on able-bodied young men. Yet, why changes in rules are made to let only girls score points should be explained to stakeholders so that they understand that what they are getting involved in is far different, and has far different values, than the FIFA World Cup.

6. CONCLUSION, LIMITS AND AVENUES FOR FUTURE RESEARCH

As Darnell and Hayhurst (2011) claim that SDP projects are influenced by “historical and cultural baggage especially from its hegemonic core”, the aim of this paper was to demonstrate that longstanding ideas, traditions and practices in sport may affect SDP project management. This analysis demonstrates significant conceptual dissonance between traditional sport and SDP that may contribute to confusing stakeholders who might not fully understand the less dominant value set proposed by SDP. As a result of our chosen methodology, one limit of this paper is that it provides incomplete insight with regards to the influence SDP baggage has on SDP brand promises and its resulting influence on stakeholders. Thus, more research is required to grasp how SDP baggage influences funding or cause-branding decisions and such research may demonstrate that historically constructed ideas about the power of sport actually facilitates obtaining funding for SDP projects. Furthermore, such research could also provide insight about the impact of SDP baggage on the monitoring and evaluation processes implemented to insure that cause-branding objectives are being met. This paper also demonstrates that more research is needed to better understand how dominant historical uses of sport, such as the 3000 year old strategy of using sport spectacle to divert the masses, is currently being replaced by untested SDP schemes, such as the trickle-up power of children athletes. Finally, since long standing sport controversies such as sexism, racism and elitism, may make establishing a cause-brand fit with SDP more difficult, such issues need be addressed by SDP agencies and their stakeholders alike in order to insure sustainable long-term funding of SDP projects.

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Crowdfunding marketing

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Abstract:
This paper aims to collect and analyze the quality data regarding the current status and prospective evolution of crowdfunding. The analysis offers classification and examination of the current status of crowdfunding and proposes definition of the crowdfunding multi-sided platform, develops research framework for crowdfunding platforms comparison, business models analysis, and crowdfunding marketing.

Keywords: crowdfunding taxonomy; crowdfunding multi-sided platform; crowdfunding marketing.

1. Introduction
One of the biggest challenges an entrepreneur faces is to get funding for the start-up project. Crowdfunding is a latest micro-financial innovation that appears to have tapped a new funding channel for entrepreneurs. In the recent years crowdfunding is emerging as an alternative funding channel for entrepreneurs. It is competing with traditional financial intermediaries (banks, venture capital firms, angel investors) to serve entrepreneurial activities. One of the most powerful aspects of an effective financial outreach using crowdfunding is that it develops a community of funders (Kevin and Marom, 2013; Lehner, 2013; Crosetto and Regner, 2014; Choo et al. 2014). Crowdfunding allows individual investors to fund consumers/entrepreneurs directly with small amounts. Explicitly, the crowd (the mass of individual investors) provides financial resources to the entrepreneur in return for equity stakes, interest payment, the future product/service, or a non-monetary reward (Morse, 2014). The connection between the crowd and the entrepreneurs is facilitated by a multisided crowdfunding platform. Entrepreneurs present their projects/campaign on the platform and funders are able to inform themselves about the projects/campaigns. Hence, funders take individual decisions to invest/lend/purchase/donate, and fund as a crowd. Crowdfunding experienced exponential growth in the last couple of years and by now has reached a substantial funding volume (more than 600 crowdfunding platforms in the world).

This paper proposes definition of the crowdfunding multi-sided platform, develops research framework for crowdfunding platforms comparison, business models analysis, and understanding of crowdfunding marketing specifics.

2. METHODOLOGY
We present qualitative research that aims to collect and examine quality data regarding the current status of crowdfunding development offered by leading digital businesses. The analysis proposes classification and examination of the current status of crowdfunding ecosystem, and possible ways of advance evolution of crowdfunding platforms and marketing services both for the enterprises and their customers.

Our research goal is to examine crowdfunding platforms across different markets in a general way. Having a common language in turn makes it easier to visualize crowdfunding innovative business models and ecosystems.
using a common set of representation techniques. We illustrate, analyse and classify crowdfunding platforms and ecosystem by means of lightweight ontologies – taxonomies. It includes the method in which knowledge was extracted from a particular domain, the classification and organization of domain concepts, validation issues and development tools. For a clear and precise description and restructuring of the information in the crowdfunding domain we proposed the pilot version of lightweight crowdfunding ontology - taxonomy (hierarchy of taxonomy concepts – is shown on Figure 1 (see below). The total number of all ontology/taxonomy features (> 250) is too complex to be represented here in its entirety, but an example of taxonomy is provided in order to demonstrate both the process of classification and the intermediate result.

This research is motivated by the observation that various descriptions of crowdfunding platforms implement the same concepts of services, business models and ecosystem using different terms. So we take the common core of different approaches to facilitate research in crowdfunding platforms for global and local markets and in crowdfunding marketing in particular. Therefore we develop the crowdfunding platform taxonomy that can be accompanied by the real instances in the global market.

The research methodology includes information from different but related sources that form a representative sample of the domain:

- Reports of crowdfunding activities. This research includes data from 2001 up to 2015 from Internet (blogs, web conferences, etc.).
- Crowdfunding business briefings, market and company’s reports, press releases, and other publicly available information.
- Research papers and books, published from 2001 up to 2015.
- Enterprise data from the leading crowdfunding companies;
- Successful stories of crowdfunding and examples of failures.
We observe and apply:

- Crowdfunding platform’s taxonomy.
- The main challenges related to the ways of marketing campaigns management.
- Strategic digital marketing frameworks applicable for the crowdfunding marketing.

Finally, we summarize the main results of the study.

3. CROWDFUNDING MULTI-SIDED PLATFORMS AND BUSINESS MODELS

Terms two-sided market, multi-sided market, and platform-based market are used sometime interchangeably. We shall use such definition (Evans et al, 2007; Hagiu, and Wright, 2015): a multi-sided market exists, when at any point in time there are

- two or more distinct groups of customers;
- the value obtained by one kind of customers increases with the number of the other kind of customers; and
- an intermediary is necessary for internalizing the externalities created by one group for the other group.

It is suitable to think about crowd-funding multi-sided platforms as businesses which are both platforms and market intermediaries.

Platforms are products, services or technologies that serve as foundations upon which other parties can build complementary products, services and technologies. Platforms are defined (Gawer, 2009) as building blocks (products, technologies or services) that act as a foundation upon which an array of firms (a business ecosystem) develop complementary products, technologies or services, proposing such requirements for a platform:

- it should perform a critical function of the overall system or should solve a crucial technological issue of an industry,
- it should be easy to connect to, “build upon” and provide space for new and unplanned usage.

Platforms enable new services due to the reuse of platform components. They have lower fixed costs and enable shorter time to market for service providers. Market intermediaries are firms that reduce search and transactions costs for interactions among two or more distinct groups of customers (e.g. suppliers and consumers for 7-Eleven; sellers and buyers for eBay).
In this paper we consider the crowd-funding services and products types of intermediaries in multi-sided market.

The role of crowd-funding intermediaries is to:

- minimize transaction costs through matchmaking and audience making;
- minimize costs through the elimination of duplication;
- permit value-creating exchanges that would not take place otherwise;
- enforce innovation.

We propose such definition of the Crowd-funding multi-sided platform based on (Hagiu, and Wright, 2015):

Crowd-funding multi-sided platform (henceforth, CMSP) is an organization that creates value primarily by enabling direct interactions between two main (or more) distinct types of affiliated customers: web/mobile customers and funders.

The study of CMSPs is important because it is a large and growing share of global economy, and CMSPs’ firms face distinctive management challenges: familiar rules such as value-based pricing may fail and traditional barriers to entry may no longer hold. Due to network effects, platform intermediaries often enjoy increasing returns to scale and their industries have room for only a few players (Eisenmann, Parker, Van Alstyne, 2006). In many MSPs, network effects are so strong that a single platform prevails. With increasing shifts and changes of business landscapes, firms in both developed and emerging economies are challenged by how to manage and to innovate through MSPs (Eisenmann, Parker, Van Alstyne, 2006). When winners take most, little is left for losers, as evidenced by the spectacular success of some platform providers.

A clear and precise description and structuring of the information in the CMSP domain are prerequisites for a common understanding of the information exchanged among different partners of CMSP ecosystem. Taxonomies and other types of controlled vocabularies are the preferred means to achieve such a common understanding by specifying the terms of the domain, disambiguating them from each other, controlling synonyms, and structuring the domain via term relationships. A taxonomy is comprised of a hierarchy of concepts linked by a transitive subsumption relation (often called isA or subClassOf) whereby each instance of a class can be inferred to be an instance of all parent classes. Taxonomies are strict hierarchies: each class has at most one parent. The paper provides crowd-funding taxonomy as a basic conceptual framework and knowledge management tool for analysing and interpreting non-price instruments used by crowdfunding (figure 1). General crowd-funding taxonomy suggests a framework for SMSP description and comparison.

In industrial marketing Mason and Spring (2011) recently discussed value delivery to customers through an examination of the theory behind business models in the context of the recorded music industry and defined value as “the benefits derived by a customer from an exchange”. They attempted to link a conceptualisation of what business models are with what they do. Business models in a solution business context were also recently discussed by Storbacka (2011) who presented a framework to assist firms in the effective management of a solutions business. This framework enables solutions to improve value creation for customers, create demand for these solutions, sell the solutions to the individual customers and receive compensation based on the customer's value-in-use. In reality crowdfunding MSP use nuanced combinations of legal, technological, informational and other instruments (including price-setting) to implement desired outcomes (Baldwin, Hagiu, 2008). We propose crowdfunding business model (figure 2) based on the business model canvas (Osterwalder and Yves, 2010). We set 7 main types of crowdfunding value propositions. The crowdfunding BM sets the framework for thriving business model innovations that have been created and take into account the potential disruptive nature of crowdfunding. Going forward more hybrid models will emerge. Some CMSP experiment with a combined model of loans and pre-sales.
A percentage of the funding will be put into a loan (and will be repaid with interest) and the other part of the funding will be used to pre-finance the production of the product or service. Also for the entrepreneur there are benefits in hybrid models or in approaches to mix crowd-funding with other investment forms, for example where crowdfunding is used to pre-sell a product, through which market validation and segmentation can be done, to generate revenue and positioning the project for follow-up or parallel investment from business angels. Crowdfunding is transformative in its total of business models, with the biggest potential lying in the combination of different approaches that will allow funding the whole life-cycle of a project, product, services or other business innovation.
4. CROWDFUNDING DIGITAL MARKETING STRATEGY

The analysis of the Crowd-funding campaigns shows the importance of Crowd-funding digital marketing strategy that can use digital marketing strategic frameworks like RACE (Chaffey, and Ellis-Chadwick, 2013). Social media are the main digital channels used for Crowd-funding.

We propose the RACE framework for Crowd-funding digital marketing strategy (figure 3-6) based on social media marketing. Social media marketing can provide recommendations about products or services from other consumers. Research shows that web users look to independent recommendations as a part of the Crowd-funding life-cycle process. Social networks also provide an amplification or viral effect where content and offers are shared at zero cost. Social media marketing also has broader benefits such as gaining feedback about online Crowd-funding campaigns. Creating buzz through comments by influencers in blogs and social networks could help build interest and discussion about a crowd-funding campaign. This is related to viral marketing. Social media effectiveness can be reviewed using the RACE framework (figure 3-6). In particular RACE Crowd-funding customer lifecycle communications can be explained as follows:

A. **Reach.** Amplification through viral affect of sharing.

B. **Act.** Consumers can share content and offer via social networks that will help generate awareness and then generate leads.

C. **Convert.** Reviews, recommendations and ratings can help encourage crowd-funding conversion.

D. **Engage.** Long-term engagement through social updates and further amplification before starting crowd-funding campaign.

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[Flowchart image showing the RACE framework for Crowd-funding digital marketing strategy.]

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**Figure 3:** Crowdfunding digital marketing strategy

**Figure 4:** Crowdfunding digital marketing strategy: define opportunity

**Figure 5:** Crowdfunding digital marketing strategy: set strategy
4. CONCLUSION

The paper proposes definition of the crowdfunding multi-sided platform, provides crowdfunding taxonomy and business model as a basic conceptual framework and knowledge management tool for crowdfunding platforms research, and proposes main digital marketing strategy for crowdfunding. The results of this research are used in new studies as the basis concept of the quantitative research. We present the concept and first results of this quantitative research. The conceptual exemplary crowdfunding project based on crowdfunding taxonomy and business model was introduced for respondents, with all features of real-life crowdfunding marketing campaign, to identify the readiness of respondents to participate in it financially. 10 hypotheses related to several motivational components – basic motivational drivers which can be either intrinsic or extrinsic, trust, lead user characteristics, impact of media resources and project’s marketing campaign features, self- and others-benefit appeals and reward value perception – were tested. The first results will be discussed during paper presentation at the conference.

References


