

Innovative Marketing in a Challenging Global Economy

Editors

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Greetings MMA Members,

The global economy is deeply intertwined with the flow of information, people, goods and capital. As a result we are presented with both challenges and opportunities to improve the quality of life across the world. Marketing plays a major role in this process, and we have all been involved in “innovating” to adapt to the changing global environment. I thank you all for your commitment and involvement with the Marketing Management Association; we have evolved to become one of the premier Marketing organizations both nationally and internationally. Each and every one of you has made this possible by planting one seed at a time to touch the lives of many academicians, practitioners and future leaders, our students. The collegiality, sharing of minds, the volunteerism that you bring is what makes MMA a distinct organization which is going strong in this challenging global economy!

At this conference, we have the distinct pleasure of welcoming several outstanding scholars from around the world. I hope you will take a moment to welcome these distinguished individuals as they take the first step in becoming long-standing members and supporters of the Marketing Management Association.

It is a special privilege for me to announce that this year’s keynote address will be delivered by the MMA’s **2009-2010 Career Award Winner for Innovative Contributions to Marketing, Bill Pride**. Bill is Professor of Marketing at Texas A&M University, and indisputably a seminal figure in the field of Marketing, with his very popular introductory marketing text. A long-standing supporter of the Marketing Management Association, Bill will be speaking to the MMA membership sharing his perspectives on marketing, marketing education and its future.

The success of this year’s conference is a result of the tireless efforts of many people. First, I want to thank the each and every one of track chairs for their hard work, leadership, and tremendous patience in attracting a number of quality papers, reviewers, discussants and session chairs to the conference: Tracy Gonzales-Padron, Sanjay Mehta, Erin Cavusgil, James Harris, D. S. Sundaram, Maxwell Hsu, Mandeep Singh, John Newbold, Connie Bateman, Haiyan Hu, Robert Erffmeyer, Michael Messina, Scott Swanson, Sam Fullerton, Pamela Kennett-Hensel, and Timothy R. Graeff. I appreciate all the effort you have put in, I couldn’t have pulled this off without you, you have made this outstanding program possible! On behalf of all the conference attendees, thank you!

Also, our long-standing tradition of excellence is secure because of the dedication of our many manuscript reviewers, whose contributions are acknowledged in the Proceedings for the conference. These individuals have volunteered countless hours that is reflected in essence of this year’s program.

This conference would not be successful without the help of so many current and former officers. **I would especially like to thank outgoing MMA President John Cherry**, who assisted me with his wealth of information and tireless responses to my many inquiries, webmaster Mandeep Singh who is responsible for the contemporary look of our new website, proceedings editor Don Roy, for his tremendous behind the scenes work, quick follow-up, problem solving, creativity and numerous efforts to ensure the high quality of the proceedings and executive director Michelle Kunz, for her tireless efforts in record keeping and responsiveness. I would be amiss if I did not provide special thanks to Karen James, former webmaster who served the organization for many years, and former executive directors Charlie Pettijohn and Russell Casey for their efforts in maintaining the history of MMA over the years. The leadership and vision of all of these individuals is what makes this organization and this conference. I would like to give special thanks to Marie Steinhoff, who has worked hard to manage communications, assist with registrations and proceedings, and has helped us overcome the many challenges we have faced over the years. I would also like to thank those who have helped to shape the Marketing Management Association over the years: Judy Wiles, Robin Luke, Mike D'Amico, Linda Ferrell, O. C. Ferrell, Mandeep Singh, Stacey Hills, Melissa Moore, Rob Moore, Fred Hoyt, Larry Zigler, Raj Devasagayam, Brian Engelland, Bob Erffmeyer, Mandeep Singh, Tim Aurand, Jerry Field, Bob McDonald, Gene Wunder, Eleanor Maliche, Ron Taylor, John Summey, Julie Toner and Brian Vander Schee... and I am sure there are many more I have forgotten.

I would also like to recognize the generous support of Hormel Foods Corporation and their continued commitment to education and their partnership with MMA; this year's conference features the **8th Annual Hormel Foods Corporation Master Teaching Competition**. Under the astute leadership of past winner Timothy Graeff, along with his committee, MMA has continued the tradition of soliciting and attracting the most innovative and creative group of educators to be honored for their ability to disseminate marketing knowledge effectively. I hope you will enjoy the conference, and America's jewel, the great city of Chicago, the MBAA, and the beautiful Drake Hotel. Thank you so much for your participation! I wish each and every one of you the very best as you get one more accomplishment under your belt this year!

I encourage you to become more involved in the MMA and future conferences. We need your ideas, input and fresh perspectives!

I hope you'll agree with me that the Marketing Management Association is the #1 outlet for your professional development and your scholarly contributions, and the very best value for your professional development resources. And don't forget to mark your calendars for the **2010 MMA Fall Educators' Conference in Indianapolis, September 29-October 1, 2010**. You'll be hearing from us.

It has been my honor to serve you as your Program Chair and President-Elect. Thank you for all you do to support your Marketing Management Association!

*Rama Yelkur,
University of Wisconsin-Eau Claire*



About the MMA

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

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

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

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

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

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In 1995, the Board of Directors initiated action to honor Marketing Management Association members who have served the Association and the profession particularly well with the designation "Fellow of the Marketing Management Association." Fellows of the Association are also designated as life members.

We continue to honor those who have served, as each richly deserves the gratitude and approbation the title of Fellow is intended to convey.

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COURSE PROCEDURES FOR ENHANCING TOLERANCE OF AMBIGUITY AND LEARNING

Peggy O. Shields, University of Southern Indiana

ABSTRACT

Tomorrow's marketing managers will be making decisions in an uncertain environment, in turn today's marketing educators must prepare students for the challenges of making decisions with ambiguous cues. Thus, the incorporation of testing and teaching techniques which encourage ambiguity tolerance is advanced.

INTRODUCTION

Marketing educators are challenged with the task of creating the most effective environment for student learning. Students must be prepared to deal with challenges in dynamic marketplaces. To do so they must have the ability to tolerate change and act on ambiguous cues. Ambiguous situations can come from new unfamiliar problems, complex problems involving multiple variables and/or situations involving conflicting cues (Budner 1962). Business decision making requires the ability to successfully process ambiguous information. A critical skill for complex decision making is ambiguity tolerance (Endres, Chowdhury and Milner 2009).

Organizations today are seeking employees who are willing and quick to learn and are flexible and thrive on new challenges. Successful executives have been found to have strong and active learning patterns and have developed more effective learning skills and strategies (Clark 2008). Organizations increasingly need managers who can make decisions in a turbulent and rapidly changing economy. The ability to look at problems from a broader perspective and to think creatively will be a valuable component of successful management especially in crisis situations (Hunter 2006). In today's global economy the ability to deal with diversity in the marketplace is essential and intolerance of ambiguity, feeling threatened by the perception of something different, has been found to negatively impact the acceptance of diversity (Strauss, Connerley and Ammermann 2003).

Thus, business faculty has been called on to alter their teaching modes to a more flexible and unpredictable learning environment that more closely reflects the ambiguous and rapidly changing business environment (Elias 1999; Huber 2003). Educators must provide a flexible and unpredictable learning environment to more closely replicate the ambiguous and dynamic business environment. To that end, this paper will present findings that will help business

educators in incorporating teaching methods that improve the ability of students to cope with the diverse business environment of the future.

STUDY OBJECTIVES

The study reported here was conducted to obtain information concerning students' abilities and opinions concerning testing formats, classroom procedures and evaluation criteria in order to advance course development and design. Tolerance of ambiguity was explored along with classroom tactics to help ascertain the relationship between this trait and educational experiences. Students, in general, need to develop a higher tolerance for ambiguity. Currently many demand to know exactly what is expected of them and are uncomfortable with project descriptions they perceive to be unclear and lacking in sufficient details, for instance. Most students will insist on knowing the exact number of pages necessary to successfully complete an assignment and are uncomfortable with the response, "As long as it takes to creatively and effectively complete the challenge". Today's students need to develop a tolerance for ambiguity as this skill is needed to operate in a business world that may not provide detailed instructions on how to solve a problem.

The same pedagogical issues were investigated along with grade point average, major, class standing and gender to determine significant differences. The information collected was designated to aid in the design of a more effective learning environment for a diverse student body.

METHODOLOGY

A self-administered questionnaire was developed to collect information pertinent to the study objectives. The study instrument was administered in several business classes in a mid-size public four-year

institution in the Midwest. Data from a sample of 505 students was analyzed.

Study Instrument

Given the concern involved with assessing learning outcomes, student preference for a variety of testing formats was measured. This measure was pertinent given that few studies have been documented involving students' preferences for testing methods (Furnham, Christopher, Garwood and Martin 2008). Advantages and uses for different testing methods are significant issues in business education. Multiple choice and other fixed format methods are attractive options due to ease of grading and statistical analysis of test results and can be completed in a short period of time while covering a wide range of material (Kuechler and Simkin 2003), however the acceptance and accuracy of multiple choice items has been noted as relevant (Swartz 2006). Equally relevant is the use of constructed response (essay or short answer) formats for the assessment of more complex student attributes and higher levels of attribute achievement (Swartz 2006). Essay questions allow for students to present ideas in their own words and not just selecting the best answer from a fixed set of options (Walstad 2006), however are more difficult to evaluate objectively for accuracy. In general, students are more fearful of essays and recognize that they need to put forth more effort to answer them effectively (Parmeter 2009). Therefore, preference for six testing methods was measured. Three formats were fixed response (multiple choice, true/false and Fill-in the blank) and three were constructed response (short essay, long essay and case analysis).

A variety of classroom procedures were measured for perceived effectiveness. The 13 tactics included traditional methods such as lectures, active learning techniques and technology-based techniques, such as Power Point slides and BlackBoard discussions.

Student preferences for evaluation criteria and their relative importance were measured. Faculty need to be aware of students' perceptions of assessment or evaluation methods as those perceptions may influence student study strategies and subsequent level of understanding (Parmeter 2009) as deep learning strategies focus on achieving true understanding vs. just preparing for a test. Respondents were asked to indicate the ideal number of tests in a course and the maximum number of chapters they felt comfortable covering on a test. Also, to gauge the acceptance of multiple choice questions by students, respondents were asked to indicate what proportion of a test should be comprised of multiple choice questions. A constant sum scale was included to determine opinions

concerning the ideal composition of a course's grading scale.

Nine six-point Likert statements were included to measure various opinions related to educational experiences. The statements were designed to capture feelings concerning potentially ambiguous experiences and the individual's acceptance of these situations.

Tolerance of ambiguity was a critical study variable as this skill is recognized as a critical attribute for decision makers and was measured using a 16-item scale. The seven-point Likert-type scale, developed by Budner (1962), has been widely used and has a reported alpha of .56 (Richardson, Jain and Dick 1996) and .52 (Strauss, Connerley and Ammermann 2003). Higher scores indicate higher levels of tolerance of ambiguity.

Sample

Students in 13 business classes, ranging from a freshman-level introductory course to a senior-level capstone course, were asked to voluntarily complete the questionnaire. Virtually all in attendance complied. In this manner, 505 completed and usable instruments were collected. The resulting sample is characterized in the following profile:

GPA:	98	4.0-3.5 (19%)
	159	3.49-3.0 (32%)
	166	2.99-2.5 (33%)
	49	2.49-2.0 (10%)
	6	1.99 or below (1%)
	Class Standing:	83
37		Sophomores (7%)
172		Juniors (34%)
199		Seniors (39%)
Major:		81
	144	Business Admin (28%)
	64	Accounting (13%)
	22	CIS (4%)
	45	Finance (9%)
Gender	146	Non-business (30%)
	302	Males (60%)
	201	Females (40%)

FINDINGS

The findings will be presented as they relate to the various study variables. General findings involving tolerance of ambiguity and its relationship to the educational variables will be followed by the findings involving GPA levels, class standing, major and gender and their relationships with the educational variables.

Tolerance of Ambiguity

The overall mean score for the 16-item scale was 65.94. No significant difference was noted between mean scores for gender, major (both using T-test) or class standing (ANOVA). However, in general, as GPA decreased tolerance of ambiguity increased (1.99 and below/70.17, 2.49-2.0/68.94, 2.99-2.5/65.62, 3.49-3.0/65.21, 4.0-3.5/65.93: ANOVA sig. level .027). Respondents in the highest GPA category, however, indicated a significantly higher level of tolerance than those in the middle levels. Thus, students at both extremes of the GPA spectrum have the ability to tolerate ambiguous situations. Tolerance of ambiguity has been found in other studies to be important for the success in many academic courses (Banning 2003).

Utilizing the mean score, respondents were split into those with low levels of tolerance (score of 62, or less/32%), moderate (score of 63-68/33%) or high levels of tolerance (score of 69, or higher/35%). Testing method preference between the different tolerance levels differed significantly in some cases (See Table One). Those respondents with a higher tolerance of ambiguity indicated a significantly higher

preference for short essay, long essay and case analysis methods. All three represent constructed response methods which do not allow for a choice among a set of responses and the opportunity for guessing. It is not surprising that those less tolerant of ambiguity would be fearful of essay tests as the potential of losing a significant number of points on a question dealing with a topic they may not have targeted in their studies is always present. Multiple choice formats, often a faculty favorite, received the highest mean score overall and was preferred by all tolerance levels.

Those with a higher level of tolerance of ambiguity also perceived research papers, cases, role playing and individual projects as being significantly more effective than less tolerant respondents. Case teaching has been shown to improve tolerance of ambiguity by providing guided practice in interpreting ambiguous cues hidden in the case's text (Banning 2003). PowerPoint slides were seen as significantly less effective for the higher tolerant segment. The four learning techniques advanced by those with higher levels of tolerance represent activities that involve individual critical thinking while copying information from PowerPoint slides involves minimal effort.

Table 1. Tolerance of Ambiguity Levels with Testing Formats and Classroom Procedures

Technique	Overall mean	Low	Moderate	High	Sig. level
multiple choice	4.53	4.54	4.55	4.50	0.839
true/false	3.46	3.25	3.50	3.61	0.442
short essay	2.99	2.76	2.96	3.22	.000*
long essay	1.81	1.65	1.71	2.03	.001*
case analysis	2.20	1.94	2.10	2.53	.000*
fill-in blank	2.33	2.21	2.38	2.39	0.293
lectures	4.00	4.03	3.94	4.03	0.545
group assignments	3.40	3.36	3.35	3.48	0.44
in-class activities	3.99	3.92	3.94	4.11	0.099
research papers	2.53	2.26	2.60	2.72	.000*
cases	2.96	2.70	2.89	3.27	.000*
role playing	2.94	2.75	2.96	3.08	.023*
films/videos	3.38	3.31	3.47	3.34	0.327
guest speakers	3.59	3.46	3.68	3.62	0.168
Power Point slides	3.71	3.82	3.80	3.53	.023*
simulations	3.67	3.64	3.64	3.74	0.471
individual projects	3.06	2.84	3.06	3.27	.001*
group projects	3.10	3.09	2.98	3.22	0.163
BlackBoard discussions	2.41	2.36	2.48	2.39	0.624
	n = 505	n = 162	n = 166	n = 174	

* sig. at .05, or less/ANOVA

In terms of related opinion questions, the higher the respondent's tolerance level the more likely he/she was to agree with the statement, "I like having the opportunity to display my level of knowledge with essay questions" (See Table Two). Essay questions seem to represent a testing method that is somewhat fearful for those who do not tolerate ambiguity well. Tolerance of ambiguity also allows for tolerance of the uncertainty and anxiety that oral exams might possibly represent. The opportunity to participate in activities that require creativity is also more enjoyable for those with a tolerance for ambiguity. The link between creativity and tolerance of ambiguity should be explored. It has been suggested that flexible thinking and a tolerance for ambiguity are important elements of creativity and enhance the ability to look at challenges from a broader perspective (Huber 2003).

When tolerance of ambiguity level was tested with evaluation criteria, none produced a significantly different score. Preference for number of tests per course, percentage of grade determined by tests, projects or homework, and other criteria was statistically the same for all tolerance levels. Also, while ideal percentage of an exam to contain multiple choice questions did increase as tolerance level increased it was not significantly different in an ANOVA test. In a correlation analysis involving tolerance of ambiguity scores and evaluation criteria scores, a positive correlation was found (at .05 level) with tolerance and percentage of grade for individual projects. A negative correlation was found for both tolerance and percentage of test multiple choice (at .01 level). In general students would seem to accept traditional evaluation criteria as presented in courses.

Table 2. Tolerance of Ambiguity with Opinions

<i>Opinion Statement</i>	Overall mean	Low	Moderate	High	sig. level
Most of my professors prepare me adequately for tests.	3.62	3.65	3.65	3.55	0.508
I enjoy assignments that allow me to creatively explore materials.	3.45	3.24	3.41	3.68	.000*
I wish my professors would give more specific instructions on how to complete projects.	3.81	3.88	3.86	3.69	0.203
I like having the opportunity to display my level of knowledge with essay questions.	2.61	2.26	2.62	2.92	.000*
Oral exams would be a better means for me to demonstrate how much I know about the course concepts.	1.68	1.56	1.58	1.88	.050*
Collaborative learning works for me as I have learned a lot from classmates.	2.82	2.75	2.81	2.89	0.547
It makes me uncomfortable when I don't know what grade I'm getting in a course at all times.	3.9	4.03	3.92	3.77	0.154
I need to know exactly what is expected of me to do my best work.	3.88	3.95	3.85	3.83	0.567
I wish more professors would have flexible agendas and allow for unexpected tangents.	3.53	3.54	3.53	3.53	0.991

*sig. at .05 level, or less/ANOVA

Grade Point Average (GPA)

One of the only testing methods where GPA levels indicated a significantly different preference was short essay (ANOVA/.007 sig level). The highest and the lowest GPA levels indicated the higher levels of preference. Again, the middle GPA group not only produced the lowest level of tolerance of ambiguity but also the lowest preference for short essay questions seeming to indicate a preference for fixed response and safe testing methods. Surprisingly, fill-in the blank also produced a significantly different mean score (ANOVA/.000 sig. level) with a higher preference indicated by higher GPA levels. The lower GPA levels did not prefer the testing dilemma of filling in a blank space with the correct term or concept.

Only two classroom procedures produced significantly different results. The effectiveness of lectures was indicated to be higher among higher GPA levels (ANOVA/.003 sig. level). However, the effectiveness of group assignments (ANOVA/.016 sig. level) and group projects (ANOVA/.006 sig. level) decreased among higher GPA levels (ANOVA/.016 sig level). Lower GPA levels feel that lectures are not as effective as group assignments and projects. Higher GPA levels may be more concerned with the 'free rider' effect of all group participants receiving the same grade regardless of level of participation.

The findings just mentioned are perhaps reinforced by the ANOVA analysis involving the opinion statements. Two statements to produce significantly different agreement scores were, "Most of my business professors prepare me adequately for tests" (.000 sig. level) and "Collaborative learning works for me as I have learned a lot from classmates" (.002 sig. level). Not surprisingly, the highest GPA levels agreed more with the first statement than the lowest GPA levels and oppositely for the second. The higher GPA groups are more confident in their individual abilities and do not appreciate the opportunity to learn from others, it would appear. These results are similar to other studies which have revealed that collaborative group tests were significantly more beneficial for low-performing students (Giuliodori, Lujan and DiCarlo 2008). In addition, extraverts with a surface study strategy approach and a low-level of knowledge preferred group work the most (Furnham, Christopher, Garwood and Martin 2008).

Similar findings were produced when the evaluation criteria were tested for significance with GPA levels. The highest GPA levels evaluated team projects to be less effective learning experiences (ANOVA/.005 sig. level) and preferred a larger percentage of their grade be determined by exams (ANOVA/ .034 sig. level). As a matter of fact, the highest GPA level (4.0-3.5) indicated a desire for 56%

of their grade to be determined by exams, whereas, the next level (3.49-3) indicated a desire for only 49% of their grade to be determined by exams.

Class Standing

As a student progresses through their college career their preferences for testing formats changes somewhat. Although lowerclassmen prefer multiple choice tests more than upperclassmen, it was not significantly more (ANOVA/.066 sig. level). However, by a slight margin (ANOVA/.050), true/false tests were preferred by lowerclassmen. The safety of the fixed format testing methods was preferred by the lowerclassmen. Short essay (ANOVA/ sig. level .015) and long essay (ANOVA/ sig. level .002) testing methods were tolerated, or preferred by upperclassmen. These findings correlate with the findings concerning tolerance of ambiguity, thus implying that there is some relationship between classroom experience level and tolerance for more ambiguous testing experiences. Students should be encouraged to adopt more sophisticated study habits as they progress through college as well as being taught how to study as much as what to study. None of the general opinion questions differed significantly for the class standing levels.

The only classroom procedure to be judged more effective by different class standings was BlackBoard discussion. The younger class levels appreciated the technique more so than older segments (freshmen = 3.0, sophomores = 2.8, juniors = 2.3, seniors = 2.1/ANOVA sig level .000). Each new class of college student ushers in a group more and more prone to accepting virtual interactions.

Academic Major

To facilitate the analysis respondents were designated as either a business major (n = 356) or a nonbusiness (n = 146) major. T-tests were performed on the mean scores for the testing methods, classroom procedures and opinion statement variables. Nonbusiness majors demonstrated a higher level of preference for multiple choice tests (t-test sig level .010) while business majors showed a preference for short essay tests (t-test sig. level .030). The only opinion statement to produce a significant difference among majors was, "I need to know exactly what is expected of me to do my best work", with nonbusiness majors indicating a higher level of agreement (3.81 vs. 4.04/t-test sig. level .026). Business majors would appear to have come to terms a bit better with ambiguous educational experiences.

In terms of classroom procedures business majors indicated that group assignments (t-test sig. level .047) were more effective than nonbusiness majors. The

nonbusiness majors perceived Power Point slides (t-test sig. level .016) and BlackBoard discussions (t-test sig. level .041) as more effective. It is interesting that the nonbusiness majors perceive the two techniques involving technology to be more effective than the business majors while the business major perceived group assignments more effective. Similarly, business majors judged their team project experiences to have been more effective learning experiences (t-test sig. level .028).

Additional analysis of the evaluation criteria measures indicated that the nonbusiness majors preferred more tests (4.3 vs. 3.9/t-test sig. level .001) with fewer chapters (3.0 vs. 3.7/t-test sig. level .000). Nonbusiness majors would like more of their grade to be based on participation (13.9% vs. 10.68%/t-test sig. level .000) and business majors would like more of their grade to be based on projects (16.29% vs. 18.53%/t-test sig. level .013). Business majors would appear to have come to accept more demanding evaluation situations.

Gender

Perhaps the research variable that produced the most frequent instances of significantly different responses was gender. When testing methods were tested with gender three formats produced significantly different responses (See Table Three).

Table 3. Gender with Testing Formats and Classroom Procedures

Technique	Overall mean	males	females	sig. level
multiple choice	4.53	4.48	4.61	.040*
true/false	3.46	3.72	3.06	.006*
short essay	2.99	2.98	3.00	0.867
long essay	1.81	1.82	1.78	0.642
case analysis	2.20	2.28	2.08	.044*
fill-in blank	2.33	2.28	2.40	0.245
lectures	4.00	3.92	4.11	.009*
group assignments	3.40	3.41	3.37	0.687
in-class activities	3.99	4.01	3.96	0.593
research papers	2.53	2.54	2.52	0.812
cases	2.96	2.94	3.00	0.515
role playing	2.94	2.96	2.90	0.592
films/videos	3.38	3.41	3.31	0.319
guest speakers	3.59	3.57	3.63	0.504
Power Point slides	3.71	3.51	4.01	.000*

simulations	3.67	3.68	3.66	0.729
individual projects	3.06	3.05	3.08	0.747
group projects	3.10	3.18	2.98	.050*
BlackBoard discussions	2.41	2.40	2.41	0.918

n = 505 n = 302 n=201

* sig. at .05, or less/T-test

Multiple choice tests were preferred by females and true/false were preferred by males. Ironically, although some studies have found no significant gender differences on multiple choice tests, those that have suggest that males have a relative advantage on them (Kuechler and Simkin 2003). Male respondents indicated that they preferred case analysis more than females. The two methods preferred by those with higher levels of tolerance of ambiguity, short and long essay, were preferred equally by the two genders.

Findings for the classroom procedures tested indicate that females preferred lectures and Power Point slides more than males and males indicated a higher level of preference for group projects. In terms of evaluation criteria (See Table Four), males could tolerate more chapters on an exam and desire that more of their grade be determined by exams and felt that team projects were more effective than their female counterparts. Female respondents desired that more of their grade be determined by homework and assignments and enjoyed distance courses more.

Table 4. General Findings Gender with Course Evaluation

Issue	overall mean	males	female s	sig. level
number of tests	4.01	4.06	3.93	0.291
chapters per test	3.49	3.61	3.32	.042*
% of test MC questions	70.15	69.28	71.57	0.194
% test tests/exams	49.09	51.87	44.84	.002*
% projects	17.85	17.71	18.05	0.682
% participation	11.6	11.28	12.08	0.264
% homework / assignments	20.97	19.58	23.18	.000*
effectiveness of team projects	4.24	4.40	3.99	.016*
enjoyability of distance courses	4.65	4.26	5.07	.027*

* sig. at .05 level, or less/T-test

Differences discovered in the responses to the opinion questions help to interpret the previously reported findings concerning gender differences (See Table Five). Males were more likely to agree with the

Table 5. Gender with Opinions

<i>Opinion Statement</i>	Overall mean	male	female	sig. level
Most of my professors prepare me adequately for tests.	3.62	3.62	3.61	0.909
I enjoy assignments that allow me to creatively explore materials.	3.45	3.53	3.33	.035*
I wish my professors would give more specific instructions on how to complete projects.	3.81	3.8	3.82	0.801
I like having the opportunity to display my level of knowledge with essay questions.	2.61	2.7	2.48	.050*
Oral exams would be a better means for me to demonstrate how much I know about the course concepts.	1.68	1.82	1.47	.005*
Collaborative learning works for me as I have learned a lot from classmates.	2.82	2.9	2.69	.049*
It makes me uncomfortable when I don't know what grade I'm getting in a course at all times.	3.9	3.73	4.17	.000*
I need to know exactly what is expected of me to do my best work.	3.88	3.82	3.96	0.15
I wish more professors would have flexible agendas and allow for unexpected tangents.	3.53	3.56	3.51	0.675

*sig. at .05 level, or less/T-test

statement concerning enjoying assignments that allow for creativity and the statements expressing having the opportunity to display their level of knowledge through essay questions or oral exams probably due to greater self-confidence. Other studies have found that extraverts favor oral exams and group work (Furnham, Christopher, Garwood and Martin 2008). These gender differences might indicate that males are more confident in their abilities and are less threatened by less structured educational experiences. Females, agreed more with the statement that stated they were uncomfortable when they did not know what grade they were getting in a course at all times. Female respondents, in general, seem to indicate a desire for a structure educational environment where they feel they have some control. The male respondents higher mean score for the collaborative learning statement corresponds with the findings that indicate that males are more positively inclined to accept social and collaborative learning experiences.

A factor analysis of the testing methods and classroom procedures produced three distinct segments of students (See Table Six). Factor one, which loaded with eight tactics, including essay questions, research papers and projects, might be labeled the involved, creative and tolerant (of ambiguity) student. Factor two, which loaded with four tactics (MC, films/videos, guest speakers and Power Point slides) might be labeled the passive student. The third significant factor with four factors, including lectures and a negative loading for group assignments, in-class activities and group projects, could be labeled the antisocial student.

Table 6. Student Preference for Methods Factors

Method	<i>Factor One</i>	<i>Factor Two</i>	<i>Factor Three</i>	<i>% of variance</i>
short essay questions	0.558			
long essay questions	0.542			
case analysis	0.639			

research papers	0.625	
cases	0.715	
role playing	0.504	
individual projects	0.595	
group projects	0.547	22.33
multiple choice questions	0.498	
films/videos	0.567	
guest speakers	0.485	
Power Point slides	0.514	13.68
lectures	0.527	
group assignments	-0.579	
in-class activities	-0.489	
group projects	-0.515	11.97
	total	47.98%

IMPLICATIONS AND CONCLUSION

In general, business educators should be respectful of the diverse talents, skills and learning styles of their students. To better serve their students, business faculty should encourage their students to pursue study strategies that develop deeper levels of understanding and not just test related recall as students who are encouraged to use deep learning strategies tend to have a feeling of being in control of their own learning (Parmeter 2009). Thus, to help students, tests and other course tactics should be designed to encourage deeper learning strategies. Faculty should incorporate less structured techniques to both build tolerance of ambiguity and to develop deeper levels of understanding.

Recognizing that tolerance of ambiguity can be taught (Banning 2003), faculty should nurture creativity and flexibility. Tolerance of ambiguity can be increased in the classroom the same way it is in the 'real world', by giving students an opportunity to use ambiguous and misleading cues to solve problems and challenges. Unfortunately, the drive to incorporate explicit grading rubric into learning assessment takes the ambiguity out of many aspects of an assignment.

While multiple choice testing is an acceptable practice, essay questions and case analysis should also be incorporated early in the students' academic careers to encourage deeper level learning and tolerance of ambiguity. In addition, creative opportunities, like research papers and projects, should be included in business courses. Team projects and other types of collaborative learning tactics will serve students well as

they prepare to compete in a global economy. The need to solve problems in small groups will be essential. Working in academic teams will allow students to develop the necessary skills, such as being respectful of others, punctuality and responsibility (Giuliodori, Lujan and DiCarlo 2008). Females, and high achievers, should be especially encouraged to appreciate the benefits of working in teams.

The role of the business faculty should be to instill confidence and tolerance of ambiguity in their students. Special attention should be given to the 'average' student in the middle-GPA levels whose needs may have previously been overlooked. To best prepare students for a rapidly changing marketplace faculty should confront students with challenging and ambiguous learning challenges that require flexible thinking and creativity to solve. Educators should also play the role of coach and provide feedback that instills confidence in students.

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MARKET ORIENTATION COMPONENT BALANCE AND BUSINESS SCHOOL PERFORMANCE - AN EMPIRICAL EXAMINATION IN THE CASE OF AACSB MEMBER SCHOOLS

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ABSTRACT

This manuscript reports the results of a national survey of AACSB-affiliated business schools. We identify and examine common patterns of emphasis on market orientation components among the schools. Scales used to measure market orientation and performance are worded for use within the higher education context.

Research objectives are expressed in terms of four research questions:

1. Are any particular combinations of market orientation component balance for students, parents, and employers of graduates typically employed by AACSB-affiliated business schools?
If the answer is affirmative, . . .
2. how are the combinations described in terms of component balance and relative emphasis between customer orientation and competitor orientation?
3. what performance levels are demonstrated by the clusters of schools that exhibit these identified combinations of market orientation component balance and relative emphasis?
4. do the clusters of schools that exhibit different combinations of market orientation component balance and relative emphasis demonstrate significantly different levels of performance?

Addressing the first research question, clusters of respondent business schools are identified in terms of strategic decisions that the schools make regarding markets. The strategies followed by the schools in each of the five resulting clusters consist of unique combinations of market orientation component balance (as applied to students, parents, and employers) and unique levels of relative emphasis on student, parent, and employer orientation versus competitor orientation. Further addressing the research questions, we report component balances, relative emphasis, and business school performance for each cluster, and employ t-tests to identify significant differences in performance exhibited by the clusters. Implications are discussed; limitations and suggestions for future research are provided.

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ASSESSING MARKETING INTERNSHIPS: PERSPECTIVES FROM INTERNSHIP PROVIDERS

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ABSTRACT

As marketing educators it is important that we prepare our students for internships and ultimately successful post-graduation careers. Unfortunately, we know very little about how our students will perform professionally in relation to what industry expects. The main focus of this study was to better understand the internship process from the internship providers (i.e., company) viewpoint. Specifically, this study addresses the following research questions: identifying the relative importance of particular skills and qualifications that marketing interns should possess; measuring company perceptions of current marketing intern skills and qualifications; identifying the primary and secondary tasks that marketing interns are assigned; rating the benefits of providing internships from a company perspective, and; identifying the various search strategies that companies use to promote their internship opportunities.

A literature review, in conjunction with expert interviews led to the development of a questionnaire to collect quantitative data. A sampling frame of 1,814 businesses was compiled utilizing Lexis-Nexis Academic, of which 500 firms were randomly chosen to be contacted. The questionnaire was completed by 352 business professionals. The average respondent was 40.8 years old ($SD = 12.0$), female (61.2%), and had 16.8 ($SD = 10.4$) years of business experience (range: 1 - 45 years). The participating companies employed from 1 to 210,000 employees (median = 135 employees) and represented a wide range of industries (e.g., advertising, event planning, healthcare, insurance, logistics, manufacturing, marketing research, non-profit, retail).

Respondents were asked to rank five identified key skills and qualifications that marketing interns should possess. Findings indicate that communications skills are particularly important, as is having a positive attitude with a willingness to learn. This finding is consistent with previous research on recruitment of business majors that communication and leadership skills as well as motivation and ambition, were of particular importance to recruiters. Ratings of interns on these same skills and qualifications suggest that other than computer skills, internship providers rated the skills and qualifications of marketing interns in the same sequential order as importance. The top benefits that companies receive by offering marketing internships include the opportunity of the company to evaluate potential employees, satisfying short term staffing requirements, and the ability of interns to provide new ideas and skills to the firm. The most common overall tasks that marketing interns are asked to perform include research analysis, database management, customer service functions, and report building. The most common primary tasks interns are asked to perform include customer service and research analysis, while the top secondary tasks asked of marketing interns include event planning and personal selling. Finally, rating the approaches utilized to recruit marketing interns indicates that companies are most likely to utilize University Career Services, word-of-mouth referrals, and e-recruiting via the Internet and social networking web sites.

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MARKETING TO ENTREPRENEURS, SITE SELECTORS AND RELOCATION PROFESSIONALS: AN 'ACTION' PLAN FOR COMMUNITY ECONOMIC DEVELOPMENT

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ABSTRACT

Community officials offer an array of incentives to stimulate local business growth, unaware of the salient criteria that determine location decisions. An analysis of proprietary research reports and site selector feasibility studies indicates specific criteria that are universally evaluated, nine of which undermine economic development initiatives. An 'ACTION' plan is provided to assist city planners' efforts in appealing to site selection professionals.

INTRODUCTION

City officials and economic development policy makers offer a plethora of incentives in their appeals to favorably influence business location decisions. Wassmer and Anderson (2001) indicate that the use of locally initiated incentives has increased dramatically throughout the United States since the 1970s. These incentives have assumed various shapes and sizes, including property tax forgiveness, tax increment financing authorities [TIFAs], industrial development bonds [IDBs], downtown development authorities [DDAs], and a host of other traditional and "new-wave" economic development incentives. However, research by Buss (2001) indicates that tax incentives may not be a major factor in influencing the location decision for businesses. Earlier research by Fisher (1997) and officials in Olympia, Washington (Washington Department of Revenue, Research Division, 1996) also suggest conflicting and contradictory results regarding the effectiveness of tax incentives in economic development efforts.

A BRIEF BACKGROUND ON ECONOMIC DEVELOPMENT RESEARCH

Plaut and Pluta (1983) examined location decisions of corporate officials and concluded that the best state in which to do business will be the one that offers the lowest taxes, lowest wages, right-to-work laws, least regulation, lowest utility costs, and highest subsidies for capital. This "least cost of operation" paradigm dominated for several years, until published

research emerged to challenge it. Subsequent research by Blair and Premus (1987) suggests that individual firm decisions regarding expansion or relocation were ultimately contingent upon corporate strategy, with tax rates entering the discussion in the very last stage of the decision process. The United States General Accounting Office (1988) conducted an exhaustive review of production relocation literature and concluded that taxes were of little or no consequence compared to other factors of production. Finally, Vaughn and Buss (1998) found that there were vast differences in the decision making processes regarding relocation and expansion across industries and organizations.

This brief review of tax incentives and their impact on economic development highlights four salient issues that must be addressed. The first issue is what Bartik (1995) calls "legalized bribery of the rich", a routine panoply of entitlements offered on a discretionary basis in an attempt to attract or retain business operations. The second issue is what Erickson (1987) calls "business climate". There is much uncertainty and disagreement as to what this means, but "business climate" is generally considered to be comprised of the cost and quality of productive resources, state and local policies, and quality of life. The third issue pertains to the competitive framework in which economic development planners operate. According to Bowman and Pagano (1992), city officials are acutely aware that they are competing against other communities, but do not know the specific community. Since the specific competitor is not known, their own competitive offerings cannot be critically analyzed, thereby

thwarting improvements in future competitive offerings to site selectors. The fourth issue is one of marketing management. More than fifty years ago, Drucker (1958) noted that marketing is the most effective engine of economic development. However, to be truly effective, the marketing professional must know the major players and their competitive offerings. If these are not known, then a general model must be developed and executed to secure a differential advantage in the marketplace.

RESEARCH PURPOSE AND ATTENDANT RESEARCH QUESTIONS

The primary purpose of this research is to provide community officials with a comprehensive strategic marketing plan that will facilitate their economic development efforts. Specifically, four research questions are addressed: (1) What type of background, filtering information do the majority of entrepreneurs, site selectors and relocation professionals expect to receive prior to making a site visitation?; (2) What categories of information do the majority of entrepreneurs, site selectors and relocation professionals assess during their on-site visitation that determines the choice of one location over another?; (3) Are incentives like tax breaks, abatements and land grants influential in business location decisions?; and (4) Can disincentives be determined that will result in a decision not to locate in a specific community?

METHODOLOGICAL AND STATISTICAL CONSIDERATIONS

The data in the analysis are derived from two hundred forty three [n=243] proprietary entrepreneurial research reports, site selector feasibility studies and relocation professionals' monographs. Each report was examined with respect to content and outcome, this is, whether a specific location was recommended or not recommended by the location specialist. The reports spanned an eleven year period of time, with sixty-four percent of the reports being completed eleven years prior to this current research. The reports ranged in length from seven to two hundred fifty nine pages. All the reports addressed new, out-of-state development efforts.

More specifically, each report was categorized, sorted and clustered into major categories of interest. Pre – and on-site visitation variables of interest were categorized and ranked by frequency of occurrence. All selected variables of interest were assessed according to outcome, that is, whether the site selector recommended the community or did not recommend the community. Thus, the “winning” outcome [company did locate] was assigned a numerical value

of one [1] and the “losing” outcome [company did not locate] was assigned a numerical value of zero [0]. Since the data were analyzed according to outcome [locate/not locate], the Sign Test was employed. The Sign Test is particularly useful for this type of research in which quantitative measurement is impossible or infeasible (Siegel, 1956). The alpha was established at the conventional .05 level.

RESEARCH FINDINGS

Table 1 provides the answer to the first research question, “*What type of background, filtering information do the majority of entrepreneurs, site selectors and relocation professionals expect to receive prior to making a site visitation?*” There are seven categories of information that relocation professionals record prior to the site visitation. Although these categories of information occurred with a frequency greater than would be expected by chance alone, none of the items was statistically significant with respect to the decision to locate in a particular community.

Table 1. Pre-Visitation Information Of Interest To Site Selectors

Information Category	Occurrence	Total Sample	Significance
Population Size	229	243	.0001
Tax Rates	205	243	.0001
Location (airports/interstate)	187	243	.0001
Household Income	183	243	.0001
Education Level (population)	180	243	.0001
Crime	156	243	.0001
University/ Vocational School Affiliations	143	243	.0069

Note. Occurrence reflects a site selector’s decision to include Information Category in report; Sign Test significance level alpha .05 (two-tailed); No Information Category item was statistically significant with respect to the decision to locate in a particular community.

Table 2 provides the answer to the second research question, “*What categories of information do the majority of entrepreneurs, site selectors and relocation professionals assess during their on-site visitation that determines the choice of one location over another?*” The analysis revealed one hundred two [n=102] unique items from the total sample of two hundred forty three [n=243] proprietary research reports. These items were clustered into four economic development areas: (1) Retail [n=104; 43 percent]; (2) Commercial [n=63; 26 percent]; (3) Residential [n=47; 19 percent]; and (4) Industrial [n=29; 12 percent]. In total, eighteen [n=18]

information items were distributed into four distinct economic development areas.

Again, these items occurred with a frequency greater than would be expected by chance alone, but

none of the items was statistically significant with respect to the decision to locate in a particular community.

Table 2. On-Site Visitation Information Of Interest To Site Selectors

Economic Development Area	Occurrence	Total	Significance
Retail			
Crime	98	104	.0001
Parking	96	104	.0001
Emergency Medical Services	82	104	.0001
Public Cleanliness	77	104	.0001
Commercial			
Public Power Options	54	63	.0001
Street Conditions/Repair	47	63	.0001
Internet Capacity	45	63	.0009
Residential			
School System	47	47	.0001
Police Services/Safety	44	47	.0001
Ambulance/EMS	42	47	.0001
Fire Protection/Service	35	47	.001
Park Accessibility	34	47	.003
Industrial			
Tax Abatements	24	29	.0005
Land Use Options	23	29	.0023
Flexible Zoning	22	29	.0081
Power/Utility Options	22	29	.0081
Water Availability	21	29	.024
Sewer Service/Capacity	21	29	.024

Note. Occurrence reflects a site selector’s decision to include specific information item in report; Sign Test significance level alpha .05 (two-tailed). No information item was statistically significant with respect to the decision to locate in a particular community.

Table 3 provides the answer to the third research question, “*Are incentives like tax breaks, abatements and land grants influential in business location decisions?*” Specifically, there were twenty-seven [n=27] reports where ‘Community A’ offered Incentives [n=16] and ‘Community B’ did not offer

Incentives [n=11]. Moreover, there were fourteen [n=14] reports where ‘Community C’ offered Tax Abatements [n=8] and ‘Community D’ did not offer Tax Abatements [n=6]. No statistically significant difference was found in either condition.

Table 3. Incentives: Relationship To Location Decision

COMMUNITY	Occurrence	Total	Significance
Offered Incentives	16	27	.4421
Offered Tax Abatements	8	14	.7905

Note. Occurrence reflects a site selector’s recommendation to locate in the community. No statistically significant difference was found in either condition; Sign Test significance level alpha .05 (two-tailed).

Table 4 provides the answer to the fourth research question, “*Can disincentives be determined that will*

result in a decision to not locate in a specific community?” Specifically, a total of eighty two [n=82]

communities of the seven hundred seventy eight [n=778] communities contained in the two hundred forty three [n=243] proprietary research reports were

eliminated from consideration for nine [n=9] specific areas of concern.

Table 4. Disincentives For Site Selectors: Not Recommend A Community

<u>Area of Concern</u>	<u>Occurrence</u>	<u>Total</u>	<u>Significance</u>
Political Climate (hostile)	12	14	.0129
Political Climate (unstable)	11	12	.0063
School Board (uncooperative)	10	11	.0017
Historical Review Boards (restrictions)	9	10	.0215
Hiring Provisions (mandatory)	8	8	.0078
Wage Provisions (mandatory)	8	8	.0078
Newspaper/Media (hostile)	7	7	.0156
Local Activist/Advocacy Groups (hostile)	6	6	.0313
Environmental Policies (restrictions)	6	6	.0313

Note. Occurrence reflects a site selector’s recommendation to NOT locate in the community; Sign Test significance level alpha .05 (two-tailed). Items [area of concern] stand alone in the site selector reports; not classified according to Retail, Commercial, Residential, or Industrial development area.

DISCUSSION AND IMPLICATIONS FOR PRACTICE

Regarding the first research question, the data indicate seven categories of information that relocation professionals assess prior to their site visitation. Economic development officials should make these types of community information available by the traditional media [trade journals, electronic media] as well as Web- and Internet-based technologies. Paradoxically, no individual item of information could predict a site selector’s recommendation of one community over another.

With respect to the second research question, the data indicate eighteen specific items of community information, distributed across four distinct economic development areas. It appears that economic development is not a “one-site-fits-all” decision process. Instead, each type of economic development area possesses definitive, unique criteria. This would suggest that economic development officials’ marketing efforts should be segmented or targeted to specific types of business efforts — retail; commercial; residential; and industrial — for example. However, the results indicate once again, that no individual item of information could predict a site selector’s recommendation of one community over another. For this reason, it appears unwarranted to fixate on one, or perhaps two, specific items in an attempt to favorably influence a site selector. The data suggest that the ultimate decision to recommend one location over another is a summative judgment, not contingent upon a single criterion. As a result, the economic development official should consider a self-audit of specific areas of interest to the site selector, prior to the

development of a more comprehensive marketing strategy.

As previously discussed, tax incentives and other financial inducements have been under review by policy analysts for decades. The third research question addressed the influence that incentives have on the choice of a particular community. The findings were divided into two types. The first type included those communities that offered “pure incentives” [free land; buildings]; the second type included those communities that offered “tax incentives” [abatements]. The data indicate no statistical significance with respect to type of incentive offered and a favorable decision to locate in the community. This suggests that incentives and tax breaks may not independently result in a favorable decision. However, it is apparent why researchers have discovered conflicting and contrary results in the past. For example, in the current research, fifty-nine percent of the communities that offered “pure incentives” were recommended, and fifty-seven percent of the communities that offered “tax incentives” were recommended. More importantly, from a total of 778 communities contained in the 243 proprietary reports, only 14 cases could be found where one community offered some form of tax abatement and the other community did not. Further, only 27 cases could be found where one community offered “pure incentives” and the other community did not. The implication appears to be that the offering of incentives or abatements is to be expected by site selectors, given the high frequency of occurrence. Incentives become a “pre-purchase” expectation, a “price of entry” to the site selector’s consideration, and could possibly jeopardize a community’s economic development efforts, if they are not included in the proposal.

The fourth research question assessed the effect of disincentives on location decisions. Nine disincentives were found to exist. Although no individual item could predict a site selector's decision to recommend one location over another, there were nine individual items, i.e., disincentives, that would eliminate a community from consideration. Specifically, the relocation professional is more likely to respond to disincentives than positive community attributes when rendering location decisions. Upon closer examination, however, the disincentives in Table 4 can be transformed [by

elimination] into issues concomitant with a "business friendly" environment. The marketing implication is clear — eliminate disincentives and focus on a "business friendly" environment to establish a formidable position of community differentiation.

In an attempt to create a unique and differentiated marketing plan that will resonate with site selection professionals, Table 5 illustrates the central issues to be incorporated.

Table 5. An 'ACTION' Plan For Economic Development

Audit your community's internal features according to Retail, Commercial, Residential and Industrial areas.	Create a "business friendly" community; eliminate disincentives.	Target your marketing efforts; terminate the "one-site-fits- all" mentality.	Incentives may work, but don't "invest" in one single offering.	Ongoing marketing assessments and audits are not an option but a necessity.*	Never forget the nature of competition. Since you don't know the competition, focus on self- evaluation, not comparisons.
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*Note. To facilitate a comprehensive marketing assessment and audit, an interactive computer program is available from the lead author.

LIMITATIONS AND FUTURE RESEARCH

This study exhibits all the inherent limitations and weaknesses associated with historical and qualitative data. Specifically, the use of dated [over ten years old] and non-standardized reports is particularly important. Moreover, the research reports were from multiple states and were not specific to any particular area of economic development. All the site selectors were in the process of locating new or expanded business offerings out of their state, therefore, application to in-state models or out-of-state relocation decisions needs to be examined and validated.

The use of the Sign Test, although feasible for this study, does not possess the statistical power that most researchers desire. However, given the nature and scope of examining historical proprietary research, future researchers should make an attempt to control for variables that were highlighted in this research. Finally, although this research examined what site selectors consider to be important, no data were available regarding how these competing communities were determined. Therefore, future research should consider how communities are awarded "consideration status" in the never-ending search for the optimal business location.

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INCORPORATING ENTREPRENEURSHIP PRINCIPLES INTO THE MARKETING CURRICULUM

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ABSTRACT

This paper consists of a content analysis of the primary principles of entrepreneurship as they converge with the current primary principles of marketing. The paper will highlight the areas that the two disciplines have in common, as well as the key areas of entrepreneurship that are not incorporated into the undergraduate marketing curriculum.

For example, both disciplines deal in the activity of strategic planning and new product development, but these activities take place in disparate contexts (one as a ongoing endeavor and one as a start-up). Some key principles of entrepreneurship that are not covered particularly well in a typical marketing curriculum may be: 1) Creativity and Innovation, 2) Resource acquisition and financial planning (risk and uncertainty), 3) Leadership, and 4) Managing growth

Next, the paper will address three potential options for incorporating more entrepreneurship principles into the marketing curriculum: 1) In the Principles of Marketing (introductory) course, 2) In the Marketing Management (capstone) undergraduate course, and 3) As a separate course.

Finally, some specific recommendations will be made as to classroom techniques and tools that can be used to teach entrepreneurship in the context of marketing coursework. This includes experiential exercises and specific projects where entrepreneurial concepts are at play.

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E-SATISFACTION: INVOLVEMENT APPROACH

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ABSTRACT

E-tailing has changed the fundamental structure of marketing channels and consumer behavior. At the same time, consumer satisfaction is getting even more critical to the survival and growth of e-tailers as they face both traditional and non-traditional competition. Thus, the two main objectives of this study are to find: (1) which model, the disconfirmation model or the perceived performance model, explains the satisfaction of e-shopping for the high involvement decision group and the low involvement decision group and (2) the relationship between the level of e-satisfaction and the probability of shopping at the same e-tailer for these two groups.

The subjects of this study were 18 and older and have purchased products online in the last six months. 500 volunteers participated in completing the questionnaires. E-satisfaction was measured with a global seven-point scale ranging from "very dissatisfied" to "very satisfied". Expectations for e-shopping were measured over convenience, value, merchandise, security, and site design with seven-point scales ranging from "strongly disagree" to "strongly agree." Perceived performance for e-shopping was measured over the same items, with the same seven-point scales. This study adopted a subtractive disconfirmation approach derived from the comparison level theory. Thus, the disconfirmation of this study was calculated as the difference between expectations and performance on each item. Since all participants were required to have online shopping during last six months, the study adopted a convenience sample rather than a random sample.

There are two significant findings in this study. First, previous studies indicated that for low involvement satisfaction is a function of disconfirmation. For high involvement, previous research showed that satisfaction is a function of perceived performance. However, this study found a different result. In both the high and low involvement cases, perceived performance was the key determinant of satisfaction. Second, most satisfaction theorists assume that purchase intentions are a function of attitudes which are a function of satisfaction with the brand purchased and the beliefs held about the brand. The findings of this study is consistent with this belief since it found that the best indicator for purchasing at the same e-tailer in the future is whether e-shoppers had a positive or negative experience with the e-tailer. This applied to both cases, whether they consider e-shopping as a high or low decision event. The implications of these findings are that e-shoppers may intend to visit the same e-tailers as previously visited because they feel satisfied or feel sufficiently high levels of satisfaction with past purchases. Obviously, other variables than satisfaction should be researched to determine if they make significant contributions to the variance explained for the intentions to visit a specific e-tailer.

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DO CONSUMERS WITH GREEN LIFESTYLES APPRECIATE GREEN ATTRIBUTES OF LOW INVOLVEMENT PRODUCTS?

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ABSTRACT

Green products have become popular and have been targeted toward consumers that lead a green lifestyle. Still, some green products are assumed to be more appealing to this group than others, sometimes based on level of involvement. This study tests a low involvement green product in terms of being appealing to consumers with green lifestyle. Calendars are considered low involvement products. Though calendar purchases are considered impulse buys, recently consumers have looked more for calendars that reflect their personal preferences. Consumers, particularly those with families, typically use more than one calendar (average of 2.5 per person) to satisfy their diverse needs.

A framework is proposed to examine green lifestyle consumers' attitudes toward green calendars and whether these attitudes result in green behavior, that is, choosing a calendar with a green attribute. The proposed framework relates four concepts: demographics (income and gender), green lifestyle, green attitude, and green behavior in the context of low involvement product category, a calendar. In terms of demographics, the model suggests that higher income consumers are more prone to lead a green lifestyle than lower income consumers and that women are also more prone to practice a general green lifestyle than men. In terms of green lifestyle, the model proposes that attitudes toward green product attributes are influenced by green lifestyle. Finally, the model suggests that consumers who value the green attributes of gift calendars (green attitude) will also perceive these attributes as important when making a purchasing decision (environmentally conscious purchases).

Survey data were collected from 101 college graduates from both private (33 respondents, 33%) and public (68 respondents, 67%) universities. Almost half of the respondents were married (49), and about half of the respondents lived in a two member household (48%). About half of the respondents (46%) earned between \$60,000 and \$120,000. The framework was tested using LISREL 8.51. Three different models were tested to establish goodness-of-fit. Results indicate that green lifestyle varies for different demographic segments in terms of income but not in terms of gender. Green attitude however varied by gender. Females were more prone to care more about green attributes of a gift calendar than males. The framework also argued that green lifestyle influences green attitude which in turn influences green behavior. This was supported by the SEM. However green attitude only partially mediated the relationship between green lifestyle and green behavior. Green lifestyle also had a direct association with product-specific green behavior.

These results have important implications for companies that market low involvement products. Companies with low involvement products should identify the green lifestyle consumers in the higher income segment. Such companies should also target their promotions more attentively toward the female segment in particular, with decorative low involvement products such as calendars.

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MOBILE PHONE USAGE: A COMPARISON STUDY OF GLOBAL TEENS

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ABSTRACT

The importance of the mobile phone is unquestionable in the lives of today's global teenagers. It is also an undeniable fact that Generation Y, of which teenagers are a subgroup, is the future of retail sales, with numerous studies indicating that marketers must understand the purchasing practices of this demographic group in order to help maintain their future corporate success. Perusal of the literature indicated that although numerous studies have been conducted addressing the mobile phone purchasing and usage habits of Generation Y around the world, little to rigorous empirical studies have been done to investigate this group in the United States.

The current study is a replication of Wilska's 2003 study of mobile phone use by Finnish teens in relation to three factors: The Addictive user, the Trendy user and the Thrifty user. SPSS version 16 was used to run the data gleaned from a survey featuring a 5-point Likert Scale. Means and standard deviations, t-tests and factor analysis were run to gather the data to be analyzed for the current study. A sample size of 411 American teens was used as well as a sample size of 637 Finnish teens. Both samples were divided by 55 percent to 45 percent Finnish females and males, respectively, and 52 percent to 48 percent American females and males, respectively. The current study found that American teens agreed with the Finnish teens on a number of the variables, but also disagreed on other variables.

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LEARNING AND MISSION IN ACTION: PROBLEM BASED SERVICE LEARNING IN THE CONSUMER BEHAVIOR CLASSROOM

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ABSTRACT

Problem based service learning (PBSL) can be used to integrate learning and service to others within an academic course. It allows students to use their knowledge and skills in a real world situation, benefiting the student and benefiting others outside the academic institution. Teaching at a mission driven Franciscan and Catholic college, PBSL appears to be a very appropriate means for instilling and achieving some of the values related goals outlined in the mission statement without losing focus on the desired learning outcomes of the course. As such, PBSL projects were integrated into two sections of Consumer Behavior with enrollments of 32 and 34 students. The project was designed to allow students to use their marketing and consumer behavior knowledge and skills in service to two not-for-profits.

There is a growing body of literature that defines and describes problem based service learning. Based on a review of the literature, Petkus' suggested stages of concrete experimentation, reflective observation, abstract conceptualization, and active experimentation were incorporated into the current PBSL projects. Both projects were designed to achieve specific learning objectives of the course, while providing a useful service to each organization. Students completed marketing plans, identified strategies for market penetration, identified new product opportunities, and designed creative material in support of their strategic recommendations (print ads, radio ads, billboards, etc.) As a final component of the project, students were expected to reflect on how the project was consistent with the mission statement of the School of Business and to complete an anonymous survey regarding the project.

Results suggest that students understand the educational and "service to others" value of completing this type of project. There were a few statistically significant differences in student perceptions of each community partner/project. From an administrative standpoint, these projects required more time to design, develop and implement, as well as to effectively monitor student progress. However the delivered results (marketing plans and creative materials), the evidence of learning, and the student feedback provided reflect the value in having done so. The project allowed for the direct application and integration of concepts and students were able to achieve course specific learning outcomes. This is an important point to emphasize: while the service aspect of problem based service learning is critical, learning must not be sacrificed for the service opportunity.

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POWERPOINT SLIDES AND QUIZZES: A COMPARISON OF BUSINESS FACULTY

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ABSTRACT

With the advances in technology and the increase in emphasis on supplement textbook material by publishers as well as professors, the use of PowerPoint slides and quizzes has increased. This study examined how business professors in the four business disciplines of accounting, finance, management, and marketing use PowerPoint and quizzes in their classes. Results show a high percentage of faculty make PPT slides available to students, primarily through some type of online format. Significant differences were found among the disciplines. Further, slides modified by the instructor were the most common. In terms of quizzes, there was a wide disparity on how many quizzes were given, but the majority are giving quizzes in class rather than using online technologies.

INTRODUCTION

Most textbooks are now produced with a large supplement package that includes such items as test banks, PowerPoint slides, instructor manuals, videos, and various types of software. The two most common supplements desired by professors are PowerPoint slide and test banks (Kennett-Hensel, Sneath, and Pressley 2007). Both have increased in usage in recent years, especially with the advent of course web support systems such as Blackboard, WebCT, and Moodle (Kennett-Hensel, Sneath, and Pressley 2007).

Several studies have examined the use of ancillary materials and their impact on the classroom and student learning (James, Burke and Hutchins 2006; D'Angelo and Wooley 2007; Debevec, Shih, and Kashyap 2006). One study in particular that is relevant to ours was by James, Burke, and Hutchins (2006). They surveyed students and faculty within Colleges of Business. The findings of their research also are a good summary of the various studies that have been performed in the past. The primary findings of the study are:

- Students have a significantly less favorable perception of the benefit of using PowerPoint slides on cognitive learning than do professors.
- Students believe posting slides on the Internet will decrease class attendance, while professors believe it does not have a negative impact on class attendance.
- Both students and professors believe PowerPoint slides has a positive impact on taking of notes and studying for exams and quizzes.

A number of studies have examined the use of quizzes within a college course. While studies found some positive results from quizzes, taking chapter quizzes did not seem to improve exam performance (Ryan 2006; Gurung 2003, Brothen and Wambach 2001). In the Gurung (2003) study, students reported practice test questions and online quizzes as most helpful in learning textbook material and in preparing for exams. Empirical examination of the test scores, however, did not find any verification that it increased test performance (Gurung 2003). Brothen and Wambach (2001) found the same. In Ryan's (2006) study chapter quizzes were given at the beginning of class. The impact was increased attendance and punctuality, but it did not result in better grades on the exams.

Because PowerPoint slides and quizzes are provided by textbook publishers now on a routine basis, many professors use them and post them online. While previous studies have examined the various facets of these supplements, the purpose of this study was to compare their usage by professors within the major disciplines within colleges of business. Because accounting and finance tend to be quantitative-type courses it is very likely that the use of PowerPoint and quizzes will be different than what is used by marketing and management professors, more qualitative-type courses. Only one study has been conducted comparing business disciplines and it examined student perceptions, not faculty usage, and also only examined PowerPoint, not quizzes (Burke, James, and Ahmadi 2009).

METHODOLOGY

Data were collected through an e-mail survey process. E-mail addresses were collected from university websites of business faculty. A total of 15,045 e-mails were sent, 2,871 were returned for various reasons such as incorrect e-mail address or SPAM filter rejection, resulting in 12,174 delivered e-mails. Usable responses totaled 612 for a response rate of 5.0%.

Each participant in the study was asked to respond to the questionnaire for a specific course he/she teaches. After indicating the business discipline and level of course, the questionnaire asked a series of questions about if and how PowerPoint slides were used. Additional questions addressed how the slides were made available, how they were developed, and how students used them. Then a similar set of questions asked about preparation and use of quizzes. The last component of the questionnaire was demographic information.

Table 1 provides a breakdown of the course level. The majority of courses were taught at the junior level, 42.5%. Senior level courses accounted for 26.5% of the sample, sophomore level courses 13.2%, graduate courses 15.2%, and freshman level courses only 2.6%. Few business courses are taught at the freshman level and only basic core business courses are taught at the sophomore level.

Table 1. Level of Course

Level	Frequency	Percentage
Freshman	16	2.6%
Sophomore	81	13.2%
Junior	260	42.5%
Senior	162	26.5%
Graduate	93	15.2%
Total	612	

Table 2 provides the demographic profile of the faculty sample. Almost two-thirds (65.3%) of the sample was male. In terms of rank, they tended to be associate professors (34%) or full professors (35.2%). A high percentage of the study participants, 44.1%, have taught more than 20 years. In term of institution size, it was relatively representative of various sizes of schools with the lowest group being schools from 15,000 to 19,999 students with 13.2% and the highest percentage being schools with 20,000 or more students, 26.5%.

Table 2. Sample Characteristics

Demographic Variable	Classification	Percentage
Gender	Female	34.7%
	Male	65.3%
Current Rank	Lecturer or Instructor	11.3%
	Assistant Professor	19.4%
	Associate Professor	34.0%
	Full Professor	35.2%
Years Teaching	5 years or less	6.6%
	6-10 years	16.9%
	11-15 years	19.0%
	16-20 years	13.4%
	More than 20 years	44.1%
Institution Enrollment	Less than 5,000	22.4%
	5,000-9,999	22.1%
	10,000-14,999	15.7%
	15,000-19,999	13.2%
	20,000+	26.5%

RESULTS

Faculty members were asked if PowerPoint slides were made available to students. Results are shown in Table 3. Across all disciplines approximately 73 percent of faculty make their slides available. The highest percentage of faculty who make their slides available is in finance at 87.9% and the lowest was for accounting professors at 63.3%.

Table 3. Availability of PowerPoint Slides

Discipline	Frequency	Sample Size	Percentage
Accounting	126	200	63.6%
Finance	102	119	87.9%
Management	79	120	66.9%
Marketing	131	173	78.0%
Total	438	612	73.0%
Chi-Square= 26.23, P-Value= .000			

The next question asked how students had access to the PowerPoint slides. Results are shown in Table 4. Note the percentages do not add up to 100% because some instructors make the slides available in

more than one way. Overall, faculty tend to use Blackboard or WebCT for posting of slides. Accounting had the lowest percentage with 43% posting the slides on Blackboard or WebCT and marketing had the highest percentage with 61.3% posting on Blackboard or WebCT. Individual differences worth noting are with posting on the instructor's website, class lecture availability only, provided as handouts, and on the publisher's website. More finance professors posted the slides on his/her own website than any other discipline. Making the slides available only in class lectures was indicated by more management professors than any other discipline. Provided as a handout was used considerably less by accounting professors. But accounting professors provided access to students to the publisher's website for the slides considerably higher than the other disciplines, especially in comparison to marketing professors.

Table 4. Access to PowerPoint Slides

Access	Acct	Fina	Mgmt	Mrkt
Blackboard/ WebCT	43.0%	54.6%	51.6%	61.3 %
Instructors website	11.5%	25.2%	13.3%	15.6 %
E-mailed to students	5.0%	7.5%	2.5%	5.2%
Class lecture only	7.50%	5.0%	10.8%	5.7%
Provided as handouts	8.0%	12.6%	13.3%	14.5 %
From another student	0.0%	0.0%	1.6%	1.2%
Publisher's website	20.5%	10.9%	13.3%	5.2%

Faculty members were asked how important the PowerPoint slides were in teaching a course using a 1 to 5 scale with 5 being very important. There was a significant difference among the four business disciplines ($F=16.96$, $p=.000$). Results are shown in Table 5. PowerPoint slides were most important to marketing faculty with a mean of 4.06 and least important to accounting faculty with a mean of 2.92.

Table 5. Importance of Slides

Discipline	Mean
Accounting	2.92
Finance	3.55
Management	3.37
Marketing	4.06
F Value= 16.960 p=.000	

Faculty members were asked if they had a choice in how the PowerPoint slides were designed by the publisher, which type would they prefer. Five choices were given and they could select more than one answer. Table 6 shows the results. Across all four disciplines, the option most frequently checked option was PowerPoint slides "modified by the instructor to fit the material" to fit the material he/she felt was important or presented in class. A large percentage liked slides that "present an outline of the material from the textbook," which ranged from 43% for accounting professors to 30% for finance professors. Another popular option was slides with "material added by the publisher that was not included in the textbook." The percentage of faculty checking this option ranged from 53.8% for marketing professors to 35.3% for finance professors. The option that showed the widest dispersion was for PowerPoint with "photos, advertisements, and other visuals." As would be expected, 63.6% of the marketing faculty checked this option compared to only 12.5% of accounting professors, 14.3% for finance professors, and 24.7% for management professors.

Table 6. Design of Slides

Design	Acct.	Fina.	Mgmt.	Mrkt.
Modified by instructor to fit material professor presents	55.0%	51.2%	75.0%	70.0%
Present an outline of material from textbook	43.0%	30.2%	36.7%	33.0%
Photos, advertisements, visuals	12.5%	14.3%	24.7%	63.6%
Videos, such as television ads or interviews with professionals	26.5%	18.5%	47.5%	57.2%
Material added by publisher not included in textbook	40.0%	35.3%	37.5%	53.8%

The faculty was asked if slides were made available for students how they encouraged students to use them. Five options were provided and faculty were asked to rate each one on a five-point scale from 'not at all' to 'all of the time.' Results are shown in Table 7. Two of the five items were significantly different: "study for exams" and

“review for lecture.” Two additional items had p-values between .05 and .10, “review chapter material” and “study for quizzes.”

Table 7. Use of slides

Use	Acct.	Fina.	Mgmt.	Mrkt.	F-Value
Study exams	3.24	3.49	3.56	4.07	8.11(.000)
Study quizzes	2.87	3.18	3.01	3.33	2.15(.093)
Review chapter material	3.70	3.89	3.73	4.06	2.22(.085)
Review lecture	3.61	3.99	3.77	4.07	3.39(.018)
Prepare lecture	3.32	3.66	3.22	3.56	1.88(.131)

Marketing faculty tend to encourage students to use the PowerPoint slides to study for exams (and quizzes) more than the other three disciplines. Accounting was the lowest. In terms of reviewing for lectures, marketing and finance professors tended to have the highest scores while accounting was lowest again.

The remaining questions addressed the use of quizzes in the course. The first question in that section asked faculty members how many quizzes they typically give in the course. The results are in Table 8. The highest percentage of faculty responses was for no quizzes on the textbook material, with percentages ranging from 36.9% of the marketing faculty to 27.7% of the finance faculty. At the other extreme, 25% of the accounting professors give quizzes on all of the chapters compared to only 10.8% of the finance faculty. Marketing and management faculty were 20.2% and 23.1%, respectively.

Table 8. Quizzes on Chapters in Textbook

Quizzes	Acct.	Fina.	Mgmt.	Mrkt.
No quizzes on textbook material	30.6%	27.7%	30.8%	36.9%
Few quizzes on textbook material	15.8%	27.7%	19.7%	18.5%
Quizzes over half of the chapters	9.7%	9.6%	8.5%	7.7%
Quizzes given on most of the chapters	18.4%	24.1%	17.9%	16.7%
Quizzes given all chapters	25.5%	10.8%	23.1%	20.2%

Table 9 identifies the primary source for the development of quizzes. Answers varied widely. For accounting and marketing faculty, the primary source appears to be the test bank supplied by the publisher. For finance and management professors, the most checked response was “material from the text and material presented in class.”

Table 9. Source of the Quizzes

Source	Acct.	Fina.	Mgmt.	Mrkt.
Test bank supplied by publisher	31.1%	18.8%	25.6%	37.8%
Textbook material	18.9%	18.8%	18.6%	10.1%
Material not in textbook but presented in class	4.7%	.0%	2.3%	7.6%
Material from text and material presented in class	24.3%	30.4%	39.5%	21.8%
Modifying questions in publisher’s test bank	6.8%	1.4%	5.8%	.8%
Questions from textbook and created by professor	14.2%	30.4%	8.1%	21.8%

The last question asked where students take quizzes. Results are shown in Table 10. The highest percentage was quizzes “taken in class, on paper.” The percentage of faculty checking this response ranged from 60.1% for accounting faculty to 83.7% for management faculty. The second most frequently checked answer was posting the quiz on Blackboard or WebCT. Responses ranged from 9.3% of management faculty to 28.7% for accounting faculty.

Table 10. Take Quizzes

Location	Acct.	Fina.	Mgmt.	Mrkt.
Blackboard or WebCT course website	28.7%	17.4%	9.3%	24.6%
Publisher's Website	6.3%	.0%	2.3%	1.8%
Instructor's Website	2.8%	.0%	1.2%	.0%
Taken in class, on paper	60.1%	81.2%	83.7%	69.3%
Taken in class, on the computer or other media	2.1%	1.4%	3.5%	4.4%

DISCUSSION

It is clear that most instructors (73%) use or make PowerPoint slides available to students and that the primary method of access is online. Blackboard or Web CT serves as the predominant method of availability. In addition to Blackboard and Web CT, slides are also posted on websites of instructors and on publishers' websites. Finance professors appear to make a greater effort to make PowerPoint slides available to students than the other disciplines. Approximately 90% of the finance professors post or make available slides on Blackboard, WebCT, the publisher's website, or the instructors own website. At the low end was accounting and management at 75%. Finance professors also utilize their own websites more than the other disciplines with over 25% of the finance professors posting slide material on their website. Accounting on the other hand tended to use the publisher's website more with 20% of accounting professors making slides available there compared to only 5% for marketing professors.

In terms of how important PowerPoint slide are to students, marketing professors ranked first with a mean of 4.06 on a 5-point importance scale. The lowest was accounting. These results are consistent with how slides are made available to students.

Differences were found in the way in which PowerPoint slides were designed. For all disciplines, the most common design was slides modified by the instructor to fit the material covered in class or to cover the material the instructor felt was important. As would be expected, a high percentage of marketing faculty liked slides embedded with visual materials, such as ads, photos, or videos while

relatively few accounting and finance professors desired these types of slides. A relatively high percentage liked slides that had new material added by the publisher that was not in the textbook. Percentages indicating this answer ranged from 35.3% for finance to 53.8% for marketing.

While there is debate on how students use PowerPoint materials, it was interesting to see what professors encouraged. Accounting professors encouraged students to use the slides to review chapter material and to review a lecture more than to study for exams or quizzes. Finance professors tended to follow a similar pattern. Management professors tended to stress the review of chapter material and lectures, but also encouraged using the slides to study for exams. For marketing the stress on using the slides to study for exams was equal to using them for review purposes. The major differences between the disciplines was on using the slides to study for exams and quizzes with marketing encouraging students to use the slides for those two purposes while accounting tended not to. Finance professors placed a heavier emphasis on using slides to study for quizzes more than management, but both were in the middle between accounting and marketing for using them for exams, as well as quizzes.

These results may indicate that instead of blaming students for not reading the textbook and just trying to memorize key points, professors may actually be encouraging this type of behavior through how they encourage students to use the PowerPoint slides. This is especially true for marketing professors. As a result, professors may want to rethink how they use the publisher's slides in the classroom and even how they teach the course. Of course, paramount to this discussion is the type of course and rather the goal is to memorize and learn terms or to be able to synthesize material as well as analyze problems. Abundant availability of PowerPoint slides may be encouraging passive learning by students just reviewing the slides rather than active learning that is more likely to occur from the student outlining the chapter material, making note cards of important material, and applying the concepts to problems or situations.

In terms of quizzes, this research indicates there is a wide disparity between professors in using quizzes, from giving no quizzes on textbook material to giving quizzes on all of the chapters. While a number of professors obtain questions directly from the publisher's test banks, a large number also add their own questions or modify the questions supplied in the test bank.

With the advances in online technology and availability of test banks, a very surprising result of

this study is that the majority of professors who give quizzes do so in class, on paper. This is especially true for management professors. Faculty in the other disciplines do use Blackboard and WebCT websites for quizzes, but it is a much lower percentage than those who give quizzes in the classroom.

What this research did not investigate and would be important to ascertain is: Are quizzes given before or after the lecture on the chapter material? More importantly, what is the purpose of the quiz? Is it to test knowledge of the chapter material, to engage the students in reading the chapter prior to a lecture, or to review material after a lecture? Because practically all textbooks have test banks, it is much easier for instructors today to prepare quizzes over chapter material.

This research has been an initial exploratory step into the use of PowerPoint slides and quizzes by faculty. More information needs to be gathered to determine if the use of PowerPoint slides and quizzes enhances the learning process or if they are providing aids that may actually reduce learning. Given that others report business students study less than one hour per credit hour per week (Nonis, Philhours, and Hudson, 2006), unfortunately, this may very well be the case. A statement by Huon, Spehar, Adam and Rifkin (2007) is a good summary of what may be going on. They said that “data suggest that students adapt their learning strategies to the resources available with an apparent emphasis on learning what will be assessed rather than exploring for understanding.” The question for business professors is “are PowerPoint slides and quizzes enhancing student learning, or do they distract from learning?”

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RAISING AWARENESS OF MARKETING MISUNDERSTANDINGS WITH AN ACTIVE LEARNING ACTIVITY

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ABSTRACT

Marketing educators routinely face the tough challenge of overcoming false perceptions that students bring to the Principles of Marketing classroom. In fact, the process of going through the course may not change previously held ways of thinking. However, documenting and then raising awareness regarding such misperceptions may help students to gain a better understanding of marketing concepts and create enthusiasm about studying the field of marketing in general. One way to build such enthusiasm is through an in-class active learning experience.

The *Marketing Feud* game is played in the Principles of Marketing course. It is designed to increase awareness of marketing misperceptions, clarify marketing misunderstandings and encourage class participation. The activity is based on the popular TV game show *Family Feud* and demonstrates to students the ubiquitous nature of marketing misperceptions. The activity is followed up by an extensive debriefing session to address misperceptions identified in the game. The course textbook and class notes can be used to provide accurate marketing concept definitions.

In this study, 100 students in four sections of a Principles of Marketing course participated in the game. Although students were satisfied overall with how the game reached its objectives, the week in the semester when the game was played had a significant influence on satisfaction level. The debriefing session that followed was an integral part of the activity as using active learning arouses student interest through reflection and by building anticipation for forthcoming course material. In addition, students made clear connections between identifying the source of confusion and the means to clarify misunderstandings. Finally, playing the game in the latter part of the course appears to yield better results.

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MARKET MAVENS: MODEL BUILDING FOR MEASURING CONSUMER EXPERT KNOWLEDGE

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ABSTRACT

It has proven difficult to define the concept of market mavens in a non-circular and meaningful manner. By contrast to behavioral models, it is here re-conceptualized as essentially relying on expert knowledge. The model builds on special skills in comprehension and makes self-reflectiveness in consumer knowledge the key defining criterion.

INTRODUCTION

It is well established that consumers navigate the marketing environment at different levels of motivation, competence, and ease. Select consumers show a great facility at finding opportunities and at influencing other consumers. They are thus dubbed *market mavens*. A number of works have proposed definitions and conceptual models of market mavens. A few scales have been proposed to operationalize and measure this construct (Feick and Price 1987; Kleiser and Mantel 1994). However, much of the discussion has made *ad hoc* choices on what it should mean rather than trying to make sense of it considering the debate in other fields on the nature of expertise.

This paper proposes an alternative to the current conceptualization on the topic, which we contend is better grounded in psychological research and philosophical reasoning. This paper first considers the state of the debate on the nature of expertise regardless of disciplines. It then presents an extensive review of works that, in a more direct sense, have defined or used the concepts of consumer expertise or market mavens. This overview raises some fundamental questions about the role of knowledge, expertise, and influence in consumer decision-making. Their clarification forms the background for a conceptual model in a graphical form. Longer-term plans include the creation of a scale that supplies greater construct validity.¹

1. The concept of "mavens" has recently also be applied to managers of companies (Armstrong 1991; Capon 2007). They may be referred to as *marketing mavens*, and their expertise is indicative of the market-orientation of firms. The consideration here is limited to the demand side.

EXPERTS

Expertise is a cognitive concept according to most of the social science literature. Research in cognitive science suggests that experts dispose of a highly organized base of knowledge and skills specific to an object domain that permits them to process complex information (Larkin et al. 1980). Such knowledge typically allows for a more rapid and more appropriate performance on markets (Chi, Glaser and Rees 1982). The conduct of experts differs notably from that of novices, and the results of these differences can be measured in processes and outcomes of decision-making (Larréché and Moïnour 1983; Brucks 1985; Glaser and Chi 1988; Mitchell and Dacin 1996). The differences between experts and novices are frequently used to determine the extra skills, abilities, or knowledge the first have over the second (Glaser 1986; Ericsson and Smith 1991). Seven factors have been identified on which experts excel over novices or where characteristic differences can be found (Glaser and Chi 1988): (1) experts are more specialized and display expertise in a highly domain-specific manner (Frensch and Sternberg 1989; Ericsson and Lehmann 1996); (2) experts have a more synthetic vision of their domain and a superior organization of information regarding it (Alba and Hutchinson 1987); (3) in their domain, experts can process information faster than novices, which has been attributed to practice and routinized behavior that free up cognitive space (Gentner 1988); (4) experts utilize their memory more efficiently because of its superior organization (Mitchell and Dacin 1996; Anderson 1983; Chase and Ericsson 1982; Chi, Glaser and Rees 1982); (5) experts process information at a deeper level and are better at ignoring superficialities (Chi 1987); (6) experts process information more intensively, in a qualitative manner, and from several perspectives before reaching a decision (Larkin 1983; Day and Lord 1992);

and (7) experts remember their errors and learn from them (Flynn and Goldsmith 1999).

MARKET MAVENS

The marketing literature has produced a growing stream of research on the expertise of consumers. Most studies have been conducted at the level of product categories, by drawing on the distinction between novices and experts. The knowledge of consumers can be grouped into two categories: familiarity with products as expressed by the level of accumulated experience, and “true expertise” as the ability to accomplish tasks related to products (Alba and Hutchinson 1987). The latter relies on both cognitive structures (e.g., perception of product attributes) and cognitive processes (e.g., decisions made on the basis of these perceptions, which are appropriate for fulfilling these tasks). There is a causal nexus between the two concepts. A greater familiarity with a product leads to accumulated knowledge, which then leads to perceived expertise (Park, Mothersbaugh, and Feick 1994).

The literature on consumer expertise thus centers around two distinctions: first, between knowledge and action, and second, between perceived and objective (or recognized) expertise. Both distinctions address the question of how to measure expertise as a construct. Perceived expertise from a consumer’s standpoint may not correspond with an objective expertise recognized by others.²

The earliest definition of market mavens developed from studies of interpersonal influence: “individuals who have information about many kinds of products, places to shop, and other facets of markets, and initiate discussions with consumers and respond to requests from consumers for market information” (Feick and Price 1987: 85). The most relevant aspect seems to be the third – responding to requests for market information. Market mavens have not only product-specific or category-specific knowledge, which would make them mere opinion leaders, but rather a “general marketplace expertise.”

The subsequent literature has largely abided by this conception. It has developed operationalizations of

the construct by investigating the motivational and social-psychological conditions driving such consumers (Walsh, Gwinner, and Swanson 2004; Hoyer and Stokburger-Sauer 2007, 2009) as well as their behavioral correlates and market outcomes (Slama and Williams 1990). In the various models, cognitive variables referring to the perceptions, knowledge, or attitudes of consumers, and behavioral variables referring to their information seeking, frequency of purchase, number of referrals, or use of coupons, are often mixed together without always considering the proper direction of causation. Although earlier studies had shown a tendency for market mavens to be rather female than male (Feick and Price 1987; Elliott and Warfield 1993; Goodey and East 2008), further studies revealed no gender differences (Abratt, Nel, and Nezer 1995; Christiansen and Snepenger 2005; Hoyer and Stokburger-Sauer 2007). Demographic variables were generally found not to be good predictors of mavenism. Some studies therefore suffer from circularity by first implicitly using a measure for market mavens to find such consumers in a sample and then showing that they exhibit all characteristics that were used to identify them in the first place (Slama and Williams 1990; Hoyer and Stokburger-Sauer 2007). For example, consumers who use coupons frequently are identified in order then to show that they are “smart shoppers” and also influence others; but use of promotional offers such as coupons had first been used as a behavioral definition of market mavens (Price, Feick, and Guskey-Federouch 1988). The difference between opinion leaders and market mavens is usually upheld, and both are again distinguished from early adopters of new products. All three are treated as different groups among consumers, with no overlap between the first two and little between either of the two and early adopters. However, such nebulous boundaries between constructs may be a critical flaw with the literature.

Many researchers have turned to psychographic instead of demographic variables as explaining the behavior of market mavens, especially to personality traits such as purchasing involvement (Abratt, Nel, and Nezer 1995), innovativeness (Goldsmith, Flynn and Goldsmith 2003), or consumer self-confidence (Clark, Goldsmith and Goldsmith 2006, 2008). Market mavens were found to have more product-related thoughts, more attribute-oriented thoughts, fewer simple evaluative thoughts, and less extreme evaluations of products (Sujan 1985). They are prepared and inclined to share their knowledge and experience with others (Higie, Feick and Price 1987). Generally, the literature has tended to emphasize the behavioral consequences of market mavenism, such as higher media consumption, participation in promotional offers, shopping frequency, complaint behavior, or attitudes toward direct mail and corporate communications (Inman, McAlister and

2. With regard to objective marketing expertise on the supply side, a pattern has been found that diverges significantly from consumer expertise. Experienced marketing managers were unable intuitively to predict consumer outcomes any better than were novices (Einhorn 1972; Armstrong 1991). Most mistakes were made at the level of product identification and the predicted weighting by consumers (Hoch 1988). Another study revealed that the popular appeal of and the expert judgments on movies were actually negatively correlated due to different criteria of evaluation between the public and critics (Holbrook 1999).

Hoyer 1990). Focus on marketplace behavior to the neglect of psychological constructs has been presented as a weakness of the research stream (Clark, Goldsmith and Goldsmith 2008).

Even the concept itself has come under doubt. If one of its essential constituents is self-reported advice giving, the incidence of this trait among mavens has been found to be low, and the motivational differences not substantial (Goodey and East 2008). Some studies have indeed admitted the difficulty of arriving at a satisfactory determination of market mavens (Hoyer and Stokburger-Sauer 2007).

CRITIQUE OF THE RESEARCH LITERATURE

It appears that much of the literature on market mavens suffers from methodological deficits. Studies of consumer behavior typically measure the degree to which certain properties are distributed in order then to apply statistical metrics of correlation or difference. By contrast, the literature on marketing mavens starts with a pre-defined concept that allows for the identification of consumers who exhibit the characteristics that operationalize this concept. The outcomes then spring from circuitous logic. Demographic variables seem not to define market mavens sufficiently well, since their distribution appears to be unrelated to age, sex, or income groups. This leaves the following logical quandary: the existence of market mavens has been asserted but not established, and yet researchers claim to know the characteristics that define their identity.

Although the market maven literature is largely an application of more general studies on expertise to a specific domain, it has tended to ignore the findings of the psychology of expertise. The latter sees the superior performance of experts as typically very domain-specific, successful transfer outside these domains as limited, and systematic differences between experts and less proficient individuals as nearly always reflecting attributes acquired by the experts during lengthy training.

A NEW MODEL OF MARKET MAVENS

In view of these shortcomings, a different approach is suggested. It starts with the question of which knowledge experts typically have. The literature has largely worked with a twofold distinction: by epistemic status and fields of application. The objective knowledge of consumers is distinguished from their subjective (and thus merely self-assessed) knowledge, and from the amount of purchasing or usage experience with products. Usage experience seems to have different effects on decision-making than either objective or

subjective knowledge (Alba and Hutchinson 1987; Brucks 1985). And although it is a cognitive construct, its basis is behavioral and therefore categorically different from the other types of knowledge.

Most knowledge consumers have is propositional – that the leading brand in the category of glue is Elmer's, that Nike allows for the mass customization of products on their website, or that a product is available from a particular online retailer. But some consumers also have reflective knowledge – they know how distribution systems work, why private labels tend to emerge in particular categories rather than others, or how to use consolidator websites to obtain lower airfares. Their knowledge is not confined to *knowing that* but includes *knowing why*. The philosopher Gilbert Ryle has argued that it is impossible to reduce statements about *knowing how* to ones about *knowing that* (Ryle 1949: ch. 2). Know-how is an ability whereas propositional knowledge (or “knowing that”) is a relation between a thinker and a true proposition. Both are located at different cognitive levels. It would then seem that knowing why is also an ability, or cognitive predisposition. Whereas “knowing that” may refer to singular states, statements about knowing why presuppose knowledge of universal laws, particularly of causal mechanisms.

Our argument notes two more philosophical distinctions – that between knowledge by acquaintance and knowledge by description, and the related but more classical one between knowledge and belief. Bertrand Russell defined “knowledge by acquaintance” as a direct causal interaction between a person and an object that a person perceives whereas any indirect knowledge of the object, usually through language, is “knowledge by description” (Russell 1910-1911). Restricting true knowledge to cases of “first-hand” evidence is of course a strong condition. It is supported by a long tradition in epistemology that reaches back to Plato, according to which “true” knowledge must be distinguished from “mere” belief. The classical definition is: A knows that *p* if (i) A believes that *p*; (ii) *p* is true; and (iii) A has sufficient evidence for believing that *p*. Condition (iii) has commonly been understood to entail self-reflexivity: ‘*S* knows that *p*’ \Rightarrow ‘*S* knows that he knows that *p*’ (Grassl 1980). True knowledge then does not occur without the knower being aware of it, and true knowledge in this sense is what in consumer psychology is referenced as objective knowledge. The tacit knowledge consumers have about products, distribution structures, prices, etc., which typically derives from vague perceptions, emotional predispositions, and analogy, would not count as true knowledge. Typically true knowledge arises by acquaintance rather than description.

Market experts must then have explicit and socially recognized knowledge, i.e. objective knowledge, as

is obtained through some kind of information retrieval. It has been shown that stored product class information is a stronger determinant of objective than of self-assessed knowledge (Park, Feick, and Mothersbaugh 1992; Park, Mothersbaugh, and Feick 1994). However, product-related experience can lead to presumed knowledge that in fact is incorrectly stored information.

A number of studies have shown that objective and subjective measures of knowledge are correlated only weakly. It is quite possible that consumers are not aware of their knowledge about market structures but hold it tacitly (Bruck 1985). Conversely, subjective knowledge need of course not actually exist. Thus the two may be related to two different dimensions of consumer knowledge (Park and Lessig 1981; Raju, Lonial and Mangold 1995). The concept of expertise builds exclusively on objective knowledge and not on the knowledge consumers believe to have, as in the market maven literature.

This approach assimilates the buyer-side market mavens more to the supplier-side marketing mavens (i.e., successful practitioners). The literature leaves little doubt that product managers or marketing managers must have a deeper knowledge not only of categories but also of consumer behavior and of the likely effects of marketing management decisions on it. What will generally be expected is not propositional knowledge as can be conveyed in textbooks but understanding – why consumers tend to react in particular ways to particular stimuli and influences. Bringing the concept “market maven” closer to that of “marketing maven” brings about another desirable result – it reduces the information asymmetry between marketers and consum-

ers that has provided the background for much academic work in marketing.

In the reconceptualization of market mavens, they are to be understood as consumers who have an enhanced interest in and knowledge of market situations. Because of this disposition, they influence other consumers through the dissemination of information. Their specific attitude does not arise by coincidence but is spurred by a disposition to not only absorb more information but also process it systematically to accrue knowledge. This knowledge is not specific to product categories but to marketing as a system of institutions. Market mavens in this sense understand the rationale of marketers, even if only partially and pre-theoretically. Their knowledge is objective and self-reflective in character. Drawing a distinction between opinion leaders and market mavens then becomes artificial, since all market mavens influence consumer opinions. Stronger conditions on consumer knowledge are assumed in the first place. However, not all opinion leaders need to be market mavens.

The key contribution this model makes is to place more weight on cognitive conditions supported by consumer enthusiasm. Consumer knowledge of experts must be deep, reflected, and pertain to marketing as a system. This is why spillover effects from specific consumer knowledge of one category to that of other categories will be assumed. Their purchase decisions may be described as being under a strong cognitive control, which entails excluding decisions out of impulse, habit, coincidence, or emotion. An alternative model can then be represented in a graphical form (Figure 1):

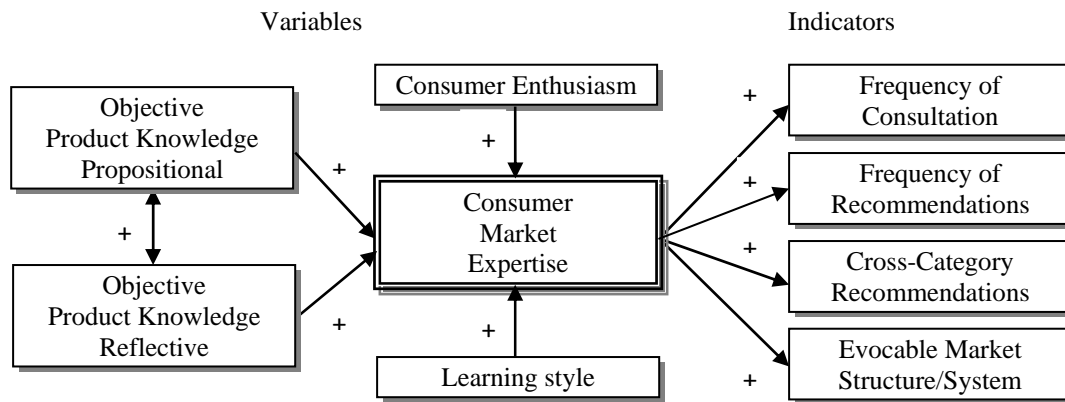


Figure 1: Conceptual Model of Market Mavens

The *explanandum* is the degree to which consumers are market mavens understood as consumer market experts. Four factors are assumed directly to influence this variable: objective product knowledge (in the sense of “knowledge that”), reflective product knowledge (in

the sense of “knowledge why”), the degree of enthusiasm as consumers, and the learning style. The latter captures both motivation to assimilate information and processing by subsumption under a “working theory” of how markets operate. In other words, these consum-

ers can both explain and predict certain market phenomena. Enthusiasm and learning may be operationalized through standard scales.

Consumer market expertise can then be measured by using four indicators: the frequency of product recommendations, the frequency of being consulted, the share of cross-category recommendations, and the evocable market structure or system. All indicators are of a behavioral type with the exception of the last, which is measured on a cognitive dimension.

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THE AMERICAN COMMUNITY SURVEY: AN IMPORTANT SOURCE OF SECONDARY DATA FOR MARKETING RESEARCH

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ABSTRACT

Geodemographic is an essential part of marketing (e.g., site selection, cannibalization studies, advertising, etc.). There are new and evolving types of geodemographic data available. The newest and cheapest is the American Community Survey (ACS), conducted by the US Census Bureau. In the past we have had other types of geodemographic data, including TIGER (based on a decennial census of the population); other products produced by the US Department of Commerce (e.g., labor markets, retail sales, etc.), and private sources of data (e.g., PRIZM).

There are several potential issues and/or drawbacks with the decennial census. First, they count the population every ten years. Second, it typically takes three or more years for full release of the data. Third, population estimates and projections (i.e., for 2015 and beyond) are made based on mathematical models, not counts or surveys. Fourth, approximately 500,000 employees are hired to count the population, most of whom have little training.

ACS is a response to these and other related issues. The ACS is conducted continuously with 250,000 households receiving survey by mail monthly over a 5 year period. The surveys are mailed out and mailed back, with computer assisted telephone interview follow-ups. There is a separate methodology for those in group quarters (e.g., dormitories, prisons). The ACS started in 1996 in four test counties. It was expanded in 1999 to 36 counties. Full implementation was done in 2005. While the availability of data for smaller population areas is limited, all places and counties with 65,000+ populations have data available since 2005. For counties with 20,000-65,000 population, data will be available every 3 years. For sub 20,000 counties, data will be available every 5 years.

The sampling strategy is as follows: 250,000 households will be randomly contacted every month. There will be over-sampling in small population areas. Only residences that are listed in the master address file from the USPS will receive survey in the mail. The twenty-four page ACS form is addressed to "Dear Resident". After a month (unless survey is returned), a follow-up letter will be sent. The month after that (if the survey is still not returned), the first of 3 computer generated calls will be made. If no response is received, then a human will try calling several times. If no form is returned at that point (and/or responses are not collected over the phone), then field staff will attempt to contact one in three of the non-respondents. If that fails, then residence will be listed as vacant, but may be randomly sampled again 5 years later.

While there are several sources where a marketing researcher may obtain ACS data, the easiest and cheapest location of ACS data is the American Fact Finder web site. This data can be used to generate on-line maps. It can be downloaded in a pipe delimited ASCII format. It can be easily moved into SPSS or SAS (using a down-loadable template). A table can be created that can then be exported to a DBASE or Access file. Finally, a join or relate file or geodatabase can then be made for use in a GIS.

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ATTITUDES OF GEN-X & GEN-Y ADULTS TOWARD MOBILE PHONE SURVEYS

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ABSTRACT

One hundred nineteen adults in southwest Louisiana were surveyed by Marketing Research students. Gen-Y respondents were more inclined to participate in mobile-phone based surveys if a small discount were to be offered. Men were less willing to participate via text messaging. Implications are then discussed for the marketing research industry.

INTRODUCTION

Over time, mobile, or cellular, phones have become an essential part of most people's daily lives. According to CTIA – The Wireless Association, the number of wireless subscribers in the U.S.A. has grown from 33.8 million in December 1995 to 270.3 million as of December 2008. This translates to a penetration rate of 87% of the total U.S.A. population, up from 13% in 1995. In terms of wireless-only households in this country, an estimated 8.4% of U.S.A. households did not have a landline telephone at the end of 2005. Three years later, that percentage was estimated to be 17.5% (“Wireless Quick Facts,” 2009). “In the last 6 months of 2008, more than one of every five households (20.2%) did not have a landline telephone but did have at least one wireless telephone” (Blumberg and Luke, 2009, p. 2). For marketing researchers, the growing number of wireless subscribers and, especially, the number of wireless-only households, has major implications for one of the traditional mainstays of survey methodology: the telephone interview. “Mobile phones present a number of challenges with respect to sampling and coverage,” including changing the sampling unit from the household to the person, the need for dual-frame designs in order to reach those with landlines and those without, and how best to define access or use, given the relative impermanence of mobile phone numbers (similar to the problem with e-mail addresses) (Couper, 2005, p. 491). There are non-response implications as well, as noted by Couper: “New ways will need to be found to gain access to sample persons” (2005, p. 492). The purpose of this follow-up study was to address the following issue mentioned by Couper:

“While the portability ... may increase the chances of making contact ..., the likelihood of the contacted

person being willing to do a telephone survey at that time may decrease. How respondents react when called while in transit, or in the middle of a wide variety of other activities, is an important area of research ...” (2005, p. 492).

LITERATURE REVIEW

The problem with cell-only adults is that they are different from landline adults in several key demographic characteristics. According to a National Health Interview Survey (NHIS), cell-only adults were “much younger, more likely to be African-American or Hispanic, less likely to be married and less likely to be a homeowner than adults with landline telephones” (“Phone surveys skewed,” 2007, p. 10). A 2009 NHIS study also revealed that wireless-only adults were more likely to be men, living in or nearly in poverty, and living in the South or Midwest (Blumberg and Luke, 2009, p. 3). These differences raise some issues for political, sociological and marketing researchers. A 2008 study by Nielsen of people who dropped their landlines found they tended to have household incomes less than or equal to \$50,000, were younger (64% were between the ages of 18 and 34), and had smaller households (one or two persons only) (“Call My Cell,” 2008, p. 5).

Initial research studies conducted in the U.S.A., the U.K. and Australia revealed some potential benefits of surveying adults via mobile phones (cost savings, immediate feedback, way to reach people always moving around) as well as limitations (short questionnaire a must, limited question types, higher incentives must be offered). “The main reasons people didn't complete the survey were due to some specific issues in accessing surveys from their mobile phones and concerns

about the cost of participating” (Martin, 2007, p. 72). Martin did not provide further details regarding these reasons; one might speculate they would include Internet service provider capabilities, questionnaire length, and the financial burden of paying for incoming mobile phone calls in the U.S.A. (whereas, for example, Finnish mobile customers do not have to pay for incoming calls (Ehlen and Ehlen, 2007, p. 718)). Ogarrio (2009) noted the growing number of Latinos who do not have landline phones (estimated at 22% by NCHS in 2008 (Ogarrio, 2009, p. 58)). He also discussed the various challenges faced by the research industry, including legal obstacles (the 1991 Telephone Consumer Protection Act), locating a representative cell phone sample, financial costs for researcher and survey participant, safety, and response accuracy (Ogarrio, 2009, pp. 60-61).

A significant portion of research in the growing wireless-only phenomenon in terms of its impact on survey research has been spearheaded by one polling association, The American Association for Public Opinion Research (AAPOR). Telephone survey professionals began investigating this issue in 2002. Cell Phone Sampling Summits were held in 2003 and 2005. Special sessions at AAPOR annual conferences have been held since 2007, and a special issue of *Public Opinion Quarterly* was published in 2007. A task force was also created in 2007 (Lavrakas, et al., 2007, p. 842).

Blumberg and Luke (2007) identified the potential for significant coverage bias of younger adults with regard to lifestyle and health issues in studies that use only landline telephones as the data collection method. Keeter, et al. (2007, p. 789) found that interviewing mobile phone users offered certain challenges to researchers, e.g., the fact that users are often on the phone while driving, thus creating a safety issue. Data collection costs were found to be higher, as incentives as high as \$10 were often needed to induce participation in order to offset loss of minutes or additional charges. Link, et al. (2007, pp. 819-20) also noted the need to be aware of the user’s location (i.e., safety issue), as well as screen for eligibility (avoiding children and teens), and recommended that calls be done during the weekday at night.

The AAPOR Cell Phone Task Force issued its report in April 2008. The members found that nonresponse in random digit dialed mobile phones was somewhat higher than in comparable landline studies, but expected the noncontact rate to decline over time (“Guidelines and Considerations,” 2008, p. 4). Ethical issues include such matters as time of day for calling, safety considerations, and contacting minors (“Guidelines and Considerations,” 2008, p. 5). Finally, there are data quality and weighting of mobile phone samples issues that have to be addressed by those in the

survey methodology industry (pp. 5-6). Much further research is needed regarding such studies using this new methodology.

METHODOLOGY

An initial student-led study based on a convenience sample was conducted in the summer of 2008 (Totten, 2009). The main question addressed in this follow-up paper relates to which generation (X or Y) of mobile telephone users are willing to participate in a survey through mobile telephones. As noted in the first study (Totten, 2009), the justification for focusing on these two age generations comes from two studies done by public opinion researchers (Blumberg and Luke, 2007; 2009; see Table 1). Approximately one third of those in the Generation Y age cohort as of July 2008 only had mobile phones, compared with the Generation X cohort, where 21% to 41% of them only had mobile phones in their households (see Table 1). These percentages are predicted to increase in the future, creating greater coverage bias (see Ehlen and Ehlen, 2007), thus making it important that marketing and public opinion researchers study these two age cohorts’ attitudes toward surveys and mobile phones.

For bonus points, students in a Marketing Research class in March and April of 2009 distributed the same survey to family members and friends over a week. The target population was defined as adults between the ages of 18 and 43 (Generations X and Y) living in the southwestern region (i.e., five parishes) of Louisiana. The nonprobability sample produced 119 usable surveys for this analysis. The author recommended that minors not be surveyed due to IRB regulations, so the Generation Y cohort was cut off at age 18 instead of using its typical younger boundary (age 13 or 14).

Table 1. Percentage of U.S.A. Adults with only Wireless Telephones by Age Group & Half-Years

Age Group	January-June 2003	July-December 2006	January-June 2007	July-December 2008
18-24	6.0	25.2	27.9	33.1
25-29	6.6	29.1	30.6	41.5
30-44	2.9	12.4	12.6	21.6
45-64	1.4	6.1	7.1	11.6
65+	0.5	1.9	2.0	3.3

Sources: Blumberg and Luke (2007, Table 2, p. 6) for 2003 & 2006 half-year data; Blumberg and Luke (2009, Table 2, p.7) for 2007 & 2008 half-year data.

The original 2008 questionnaire was based on student-generated questions regarding what to ask college-aged mobile phone users about participating in

surveys over their mobile phones (a prior bonus assignment given in a previous Marketing Research class) and a review of the literature. The final version began with qualifying questions (mobile phone usage and age range), then asked three Likert-scale questions about participation in a survey, plus a “check all that apply” question regarding incentives. Two classification questions were the last ones on the survey. The data were edited, coded, entered into SPSS version 14.0, and cleaned before statistical analyses were conducted.

RESULTS

Overview

Eighty-four respondents (71.2 percent) indicated they were within the Gen-Y age range of 18 to 26 years, while 34 (28.8 percent) were within the Gen-X age range (27 to 43 years). One person did not check the age category questions. Sixty-seven of the respondents (56.3 percent) were women and seventy-seven (64.7 percent) reported that they did not have a landline telephone. No significant differences were found among the demographic variables using chi square analysis.

Summary statistics for the three Likert-type scale questions are provided in Table 2. While the mean responses tended to be “neutral” in terms of willingness to participate in research surveys, there was some positive movement in terms of willingness when a discount was mentioned as an option, as the percent agreeing or strongly agreeing increased from approximately 32 percent to 67 percent. Half to 60 percent of the respondents also indicated that two of three incentives would increase their likelihood of participation: “reimbursement for cost of the call” and “coupon mailed after completion.” Sixteen respondents checked “other” as an incentive, and reported items such as: discount off the bill, prizes/drawings, extra minutes, gift cards, and more than a dollar.

Significant Differences

Independent t tests and chi square analyses were performed on the dependent variables to look for differences according to the demographic variables (age, gender, landline presence) in case researchers would be able to develop different appeals for different demographic groups. No significant differences were found for the incentives by age and landline presence. One marginally significant difference was discovered for gender. Women tended to check the “coupon mailed after completion” incentive ($\chi^2 = 3.72$, $df = 1$, $p = .054$).

Table 2. Summary Statistics

Variable	Mean	S.D.	Median	Mode
Willing to participate via mobile phone	3.24	1.390	3.0	3.0 (Neutral)
More willing to participate using text messaging	3.06	1.386	3.0	3.0 (Neutral)
Offer of a small discount would increase willingness (n=118)	2.38	1.358	2.0	2.0 (Agree)
Incentive: Reimbursement of cost of call	n/a	n/a	n/a	59
Incentive: Coupon mailed after completion	n/a	n/a	n/a	69
Incentive: \$1 mailed after completion	n/a	n/a	n/a	32

Turning to the three Likert-scale survey participation statements, no significant differences were found by landline presence. Two significant differences were found by age cohort and another one by gender. Gen-Y respondents were more neutral about participating by text messaging whereas Gen-X respondents were less willing (Means: 2.89 vs. 3.53, $t = -2.304$, $df = 115$, $p = .023$). A related significant difference for this statement by gender was also revealed: men were less willing to participate via text messaging whereas women were more neutral (Means: 3.42 vs. 2.78, $t = -2.586$, $df = 117$, $p = .011$). Gen-Y respondents were more inclined to participate if a small discount were to be offered, whereas Gen-X adults were more neutral (Means: 2.18 vs. 2.91, $t = -2.691$, $df = 114$, $p = .008$).

LIMITATIONS

Given the use of a convenience sample plus the relatively small sample size of 119 adults, and the small geographic region in which the data were collected, generalizability of the findings is weak at best. A larger sample size, using a random sample drawn from a larger region of the country (or from across the country) would have been better. The decision to not survey Generation Y cohort members below the age of 18 may have weakened the representativeness of the sample further. Additional relevant questions, based on a better examination of the literature review (such as the use of \$5 and \$10 incentives), might have provided

more useful findings for the marketing research industry and academicians to consider. More demographic questions would also be needed, such as ethnicity and marital status. Finally, the data collection method, not being a wireless survey, may have affected how the adults responded to the questions.

IMPLICATIONS

It was enlightening to see that younger adult respondents (below the age of 44) were not refusing outright to participate in surveys via mobile phones. Thirty-eight respondents (31.9 percent) expressed some degree of willingness to participate in such surveys (responding either “Strongly Agree” or “Agree”). Thirty-nine (32.8 percent) would be willing to participate if text messaging was used. This reflects the growing popularity of texting among young adults (along with twittering and other social networking methods). Two-thirds (79, 66.9 percent) would be willing to participate if the researcher offered a small discount (some type of incentive such as call expense reimbursement, discount coupon, or monetary incentive). This is in line with one of the recommendations from Lavrakas, et al. (2007, p. 850), where they suggested the ethical approach of offering “proper remuneration for [survey respondents’] time on a research call” as part of a “good will gesture” by the research firm, separate from any incentive offered to increase participation. Much more research is needed, given the growing number of mobile phone users and the methodological and statistical challenges they present to the industry and to those of us who educate future users and/or practitioners of marketing research. It is our hope that this study has made a contribution, albeit small, to what must be learned.

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A GENERALIZED LINEAR PROGRAMMING MODEL FOR CAPACITY ACQUISITION IN A TWO-STAGE SUPPLY CHAIN

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ABSTRACT

In this paper, we present a model to assist marketing and supply chain decision makers in managing situations in which internal and external sources of capacity are utilized to meet customer demand and to avoid stockouts. We adapt the classical fixed charge model from operations research to this situation and demonstrate how it assists in eliminating customer dissatisfaction that arises when internal capacity is insufficient to meet customer orders. A solution procedure is outlined and illustrated with an example.

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SUPER BOWL AD LIKEABILITY IN THE NEW MILLENNIUM

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ABSTRACT

U.S. advertisers love the Super Bowl because it reaches a huge and highly receptive audience. With so much on the line, one metric Super Bowl advertisers watch closely is ad likeability, since this is correlated with sales success. The popularity of ads has been found in past studies to influence consumer persuasion, so with millions of dollars being spent on these commercials it is important for the ad to be as effective as possible. The objective of this study was to identify variables that may correlate to higher ad likeability levels.

In this paper, five undergraduate marketing students watched and coded all Super Bowl ads from the years 2000 to 2008. Variables coded for included an ad's use of humor, animals, celebrities, as well as the type of product advertised. A regression analysis was then performed to determine if a correlation existed between these independent variables and ad likeability.

The results of the tests confirmed several previous notions about the influence of variables as well as uncovered the effectiveness of newly tested variables. Several of the variables, such as humor and product category, that were known to be connected to ad likeability in the past were again found to be predictors of ad likeability in this study. Many variables that were not associated with ad likeability previously, such as sex appeal and music, were again not found as good predictors of ad likeability. New variables of significance discovered included product information and the use of children in advertising.

Limitations for this study included the use of a student panel to code the ads as well as a failure to account for interaction between the variables. Future research to be performed could examine the ads from previous years' Super Bowls in order to enhance the scope of ad likeability over time. Other indicators of ad likeability could also be investigated to determine if the predictability of variables carries over from other methods of likeability.

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SOURCE CREDIBILITY AND VISUAL STRATEGY IN PRINT ADVERTISEMENTS

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ABSTRACT

This study used an experimental design to examine the source credibility dimensions of expertise, trustworthiness, attractiveness, similarity, and liking within the context of three different visual strategies. The study was conducted with a student sample using credit cards as the service category. In addition to examining the visual strategy, the ethnicity and gender of the model was examined. The results indicate overwhelming support for using a slice-of-life visual strategy over a fantasy or emotional approach. The ethnicity and gender of the model did impact the perception of the five dimensions of credibility.

INTRODUCTION

As the United States economy becomes more service-oriented, advertising of services will continue to draw attention of researchers. A major challenge in advertising a service is to overcome the service characteristics of intangibility, inseparability, variability, and perishability. One common method is to use people in advertisements either providing a testimony or endorsing the service. The idea is that consumers will identify with the person in the ad and believe the service will answer his or her need as well.

Because of the importance of endorsers in service ads, this paper explores credibility in advertising by incorporating similarity and likeability with traditional dimensions of source credibility (expertise, trustworthiness and attractiveness). The paper looks at the degree to which visual strategy of the ad, race of the model and gender of the model affect these five dimensions of source credibility. This paper contributes to the literature by expanding the concept of source credibility and an understanding of how the visual strategy affects source credibility. Further, the race and gender of the model are also investigated to see if either have an impact on credibility, at least for the service examined in this research.

SOURCE CREDIBILITY

Source credibility is defined as the credibility of the endorser, spokesperson, or individual in an advertisement. The spokesperson can be an actual customer, a company employee, a celebrity, or a

typical person model (Clow et al., 2006). Credibility is important in creating effective advertisements.

In measuring source credibility, several researchers have utilized the three dimensions of expertise, trustworthiness and attractiveness (Ohanian, 1990; Lafferty et al., 2002). Other dimensions, such as believability, likability and attractiveness, have also been used as dimensions of credibility (Arora et al., 2006; Keller, 1998; Clow and Baack, 2004; Clow et al. 2006). For the purposes of this paper, credibility is comprised of expertise, trustworthiness, attractiveness, similarity and liking.

Research has found that increasing source credibility positively impacts a business, or brand, in several ways. For example, credible spokespersons elicit a greater attitude change in the viewer of the ad than less credible spokespersons (Sternthal et al., 1978). Consumers are more likely to discount messages from spokespersons that they perceive to have low credibility (Eagly and Chaiken, 1975). In addition, research has demonstrated that source credibility affects attitude toward the ad, attitude toward the brand, advertising effectiveness, and purchase intentions (Marks, 1984; Sanchez and Bonner, 1989; Cobb-Walgren and Dabholkar, 1992; Lafferty and Goldsmith, 2004; Goldsmith et al., 2000; Lafferty et al., 2002; Clow et al., 2006).

It is no wonder that the many advantages to high source credibility have encouraged researchers to examine various facets of source credibility. Are there elements in an advertisement that can be manipulated to improve source credibility? In studies geared toward this question, initial results point to the fact that consumers are more likely to believe non-profit organizations, government sources, and

independent testing groups as being more credible than commercial sponsors (Lirtzman and Shuv-Ami, 1986; Haley and Wilkinson, 1994). Similarly, by providing additional information asserting professional qualifications, such as third party seals, a company is able to improve its perceived credibility (Tripp, 1997). This study will expand the literature base by also looking at the impact the visual strategy has on source credibility. It will also examine the ethnicity and gender of the model in the ad to see if either has an impact on credibility and, if so, for which source characteristics and for which visual strategies.

METHODOLOGY

The objective of this research was to investigate the impact of the visual strategy on source credibility of the model in an advertisement. We chose a service industry due to the marked growth of service providers in the US and the importance of source credibility since services are intangible. A credit card company was used for the study because of its relevance to our subjects (i.e. college students). Print advertisements were created using a fictitious brand to avoid bias or recall affects from respondents having been previously exposed to the ad. Additionally, to avoid any bias, a total of 18 different ads were produced based on three visual strategies, three different races of models, and the two genders.

The surveys were administered in various classrooms at three different universities in the Midwest. Each student received a fictitious ad with one of the 18 visuals. Students were then asked a series of questions about the ad to measure their attitude towards the five source credibility subcomponents of expertise, trustworthiness, attractiveness, similarity, and liking.

A total of 560 surveys were completed. The demographic profile of the sample is provided in Table 1. In terms of school classification, the largest group was seniors, 41.6%. Another 30.7% were juniors. The sample was 52.9% female and 43.8% male. In terms of age, 16% were 18 to 20, 51% were 21 to 23, and the remaining were 24 or older. For ethnicity, 15% were African-Americans, 69.6% were Caucasians, and 11.2% were other races. Almost half, 47.1%, had incomes of less than \$20,000.

Three different visual strategies were used: fantasy, emotional, and slice-of-life. The race and gender of the model was varied among the three visual strategies. Table 2 presents the breakdown of the sample in terms of visual strategy, race of model, and gender of model. The 3x3x2 experimental design resulted in 18 different visuals on the ads. The copy

remained the same for each of the executions, only the visual was modified.

Table 1. Sample Characteristics

Demographic	Scale	Frequency	Percent
Classification	Freshman	41	7.3%
	Sophomore	72	12.9%
	Junior	172	30.7%
	Senior	233	41.6%
	Graduate	23	4.1%
Gender	Female	296	52.9%
	Male	245	43.8%
Age	18-20	89	16.0%
	21-23	286	51.0%
	24-26	91	16.3%
	27 +	63	11.9%
Ethnicity	African A.	84	15.0%
	Caucasian	390	69.6%
	Other	60	11.2%
Income	Less than \$20,000	264	47.1%
	\$20,000-\$50,000	122	21.8%
	\$50,001 and greater	143	25.5%

Table 2. Ad Composition

Variable	Category	# Items	Percent
Visual Strategy	Fantasy	187	33.4%
	Emotional (Negative)	187	33.4%
	Slice-of-life	186	33.2%
Race of Model	African-American	186	33.2%
	Asian-American	187	33.4%
	Caucasian	187	33.4%
Gender of Model	Male	280	50.0%
	Female	280	50.0%

Expertise and trustworthiness were each measured using 5-item scales with reliability scores of .872 and .829, respectively. The attractiveness scale had 4 items and a Cronbach alpha of .849. Similarity and liking were 5-item scales with reliabilities of .832 and .801, respectively. As shown in Table 3, all scales had high reliability scores and were good measures of their respective constructs.

Table 3. Reliability of Scales

Scale	# Items	Cronbach α
Expertise	5	.872
Trustworthiness	5	.829
Attractiveness	4	.849
Similarity	5	.832
Liking	5	.801

RESULTS

One-way Anova tests were used to determine if there were any significant differences in the five source characteristics based on the visual strategy used in the ad, the race of the model, and the gender of the model. Table 4 provides the results by visual strategy. Expertise, trust, and liking were significantly different based on which visual strategy was used. The slice-of-life visual was viewed as having a higher level of expertise than either the fantasy or emotional visuals. The same was true for the source characteristic of trust. For liking, slice-of-life and fantasy scored the highest. The emotional visual scored the lowest.

Table 4. Source Characteristics by Visual Strategy

	Visual Strategy			F-Value
	Fantasy	Emotional	Slice of Life	
Expertise	3.41	3.30	4.21	37.65*
Trust	4.85	4.80	5.39	14.24*
Attractive	3.45	3.29	3.53	2.23
Similarity	3.73	3.68	3.88	1.59
Liking	4.23	3.97	4.42	10.14*

*P < .05

Table 5 provides the results by visual strategy when the mode was an African-American. All five source characteristics were significantly different. The slice-of-life visual was viewed as being the more positive across all five characteristics over either the fantasy or emotional visuals. The emotional visual strategy tended to score the lowest across all five dimensions.

Table 6 provides the results by visual strategy using Asian models in the ad. Expertise and trust were significantly different. The slice-of-life visual was viewed as having a higher level for both characteristics, while fantasy was viewed as the lowest for both characteristics. There were no significant differences among the three visual strategies in terms of the model's attractiveness, similarity, and liking.

Table 5. Source Characteristics for African-American Models

	Visual Strategy			F-Value
	Fantasy	Emotional	Slice of Life	
Expertise	3.60	3.37	4.28	11.31*
Trust	4.88	4.87	5.55	6.76*
Attractive	3.45	3.43	3.94	3.89*
Similarity	3.73	3.64	4.20	4.32*
Liking	4.11	3.96	4.60	7.21*

*P < .05

Table 6. Source Characteristics for Asian Models

	Visual Strategy			F-Value
	Fantasy	Emotional	Slice of Life	
Expertise	3.48	3.71	4.29	9.40*
Trust	4.81	5.10	5.38	3.38*
Attractive	3.26	3.09	3.26	.45
Similarity	3.54	3.74	3.64	.50
Liking	4.16	4.06	4.30	1.06

*P < .05

Table 7 provides the results by visual strategy when Caucasian models were used. Expertise, trust, and liking were significantly different. The slice-of-life visual was viewed as having greater levels of expertise and trust; however, for liking, fantasy ranked similar to slice-of-life. The emotional appeal was viewed as the lowest for all three significant characteristics.

Table 7. Source Characteristics for Caucasian Models

	Visual Strategy			F-Value
	Fantasy	Emotional	Slice of Life	
Expertise	3.17	2.85	4.09	21.90*
Trust	4.86	4.47	5.28	7.53*
Attractive	3.63	3.35	3.43	1.19
Similarity	3.94	3.68	3.84	.97
Liking	4.43	3.92	4.37	5.59*

*P < .05

Results by visual strategy using male models are presented in Table 8. Expertise and trust were significantly different. Again, the slice-of-life visual was viewed as having the highest level in both characteristics; while the emotional visual was viewed as having the lowest level in both characteristics.

Table 8. Source Characteristics for Male Models

	Visual Strategy			F-Value
	Fantasy	Emotional	Slice of Life	
Expertise	3.45	3.27	4.06	12.82*
Trust	4.89	4.70	5.24	4.87*
Attractive	3.24	2.91	2.97	2.82
Similarity	3.79	3.63	3.59	.91
Liking	4.24	3.95	4.21	2.64

*P < .05

Table 9 provides the results by visual strategy using female models in the advertisement. All five source characteristics were significantly different. The slice-of-life visual was viewed as having the highest level in all five characteristics. The emotional and fantasy levels were similar to one another in terms of expertise, trust, attractiveness, and similarity. The emotional approach was the lowest for the source characteristic of liking.

Table 9. Source Characteristics for Female Models

	Visual Strategy			F-Value
	Fantasy	Emotional	Slice of Life	
Expertise	3.39	3.33	4.38	26.27*
Trust	4.82	4.92	5.56	10.97*
Attractive	3.67	3.68	4.09	4.69*
Similarity	3.68	3.75	4.17	5.30*
Liking	4.24	4.01	4.64	10.44*

*P < .05

DISCUSSION

When marketing credit cards to college students, clearly the slice-of-life visual strategy is the best if a spokesperson is used in the advertisement. The score across all five source credibility dimensions was the highest for slice-of-life, however, it was significantly higher for expertise, trust and liking, which means in the slice-of-life approach the model was seen as having a higher level of expertise, a higher level of trustworthiness, and was more like the respondents regardless of the model's ethnicity and gender. Using the fantasy or emotional approach reduces the perceived level of expertise, trust, and liking, even though the same model was used in all three executions.

Although significance tests were not performed between the five source credibility dimensions, the trustworthiness component had a mean of 5.39, which is considerably higher than any of the other

dimensions. In looking at the model, the student respondents felt they could trust the model in the advertisement. This level of trust was undoubtedly impacted by the model being of college age and as a result scores for expertise and liking were 4.21 and 4.42, respectively. The lowest source credibility dimensions were attractiveness and similarity. These two were also not significant at the $p=.05$ level of significance, indicating that not all respondents saw the models as being attractive and similar to themselves. The race and gender of the model seemed to have an impact on these two dimensions, which means advertisers of services need to consider the race and gender of their target audience in choosing the race and gender of the model to be in an advertisement.

When examining the results by the ethnicity of the model, it is important to remember the ethnic make-up of the sample, which was almost 70% Caucasian and 15% African-American. For the ads with African-American models, the slice-of-life was significantly better across all five dimensions of source credibility. The model was seen as having a higher level of expertise, trustworthiness, attractiveness, similarity, and liking when viewing the slice-of-life visual strategy than when the same model was seen in ads using the fantasy and emotional visuals. When incorporating an African-American model in a service-oriented advertisement using a slice-of-life appeal is superior to either the fantasy or the emotional appeal.

For Asian models, only expertise and trust were significantly different, again for the slice-of-life visual. In terms of attractiveness, similarity, and liking, the visual strategy does not make any difference. Thus, for ads with Asian models, the support for using a slice-of-life visual strategy is much weaker. Similar results were found for the Caucasian model, except liking was also significantly different, in addition to expertise and trust.

When looking at the gender of the model, for male models only expertise and trust were significantly different, again for slice-of-life. As with Asian models and Caucasian models, there is not strong evidence that one particular visual strategy is superior to the others. For female models, however, every source credibility dimension was significantly different and slice-of-life was clearly the best approach.

In summary, when designing service advertisements the ethnicity and gender of the model will make a difference on how views of the ad perceive the spokesperson's credibility. While the slice-of-life visual did score the highest, fantasy and emotional visuals may due as well depending on which source characteristic the advertiser wants to

stress. In addition, the ethnicity and gender of the spokesperson also impacts the level of perceived source credibility.

This study was done with college students and credit cards. It was an experimental design. Future studies need to examine other service types and even goods. The sample needs to be expanded beyond students. Lastly, future research should also utilize a field design to create higher external validity.

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THE DEVELOPMENT OF ADVERTISING AND MARKETING EDUCATION IN THE UNITED STATES: THE FIRST 75 YEARS

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ABSTRACT

Advertising education began in a curriculum in journalism at the University of Pennsylvania, in 1893. Marketing education began in disciplines other than journalism in 1902 at several universities. Eventually, many marketing programs included courses in advertising, but after two reports appeared in 1959, most marketing programs stopped offering courses in advertising.

INTRODUCTION

Faculty who teach courses in advertising and marketing in the United States may not realize that both disciplines have a relatively long history. Indeed, both disciplines date back to the late 1800s, when prominent members of the academy as well as members of certain professions saw the need for developing curricula that would prepare people for the new world that embraced industry and new businesses. As Quentin J. Schultze (Spring 1982, p. 17) wrote,

Educators and businessmen together established the nation's first advertising courses and programs, but they did so without elucidating the scope and purpose of advertising education. Although businessmen were the prime movers in the development of such instruction, they were motivated primarily by a symbolic ideal of professionalism, and ironically, that preoccupation with professionalization hindered their ability to grasp the complexities of creating professional education for business in the early twentieth century.

Faculty who teach courses in advertising and marketing may not understand how each discipline developed or progressed over time. Concurrently, they may not know which colleges and universities were responsible for shaping advertising and marketing thought through their curricula. Consequently, the purpose of this paper is to examine the historical development of advertising and marketing as disciplines in colleges and universities from the time the first courses were offered to around 1965, to determine which administrators and/or faculty at which colleges and/or universities realized the need for such disciplines.

The first courses that included information about advertising and/or marketing were offered more than a hundred years ago. Education in advertising and marketing has changed over the years.

HISTORY OF ADVERTISING EDUCATION

Journalism Programs that Included Advertising

Advertising education has been associated with business, specifically marketing, and journalism from its beginning in 1893, when Joseph Johnson of the Wharton School of Business, University of Pennsylvania, developed one of the earliest curricula in journalism in the country, primarily to train individuals who desired to work as reporters for newspapers. This curriculum contained five courses in journalism, and one of these courses—"Journalism-Law of Libel, Business Management, Typographical Union, Cost and Revenue, Advertising, Method of Criticism, etc."—contained information about advertising (O'Dell, 1935, p. 48).

In 1898 the University of Missouri, which had been offering courses in journalism for at least two decades, offered a course in journalism—"Newspaper Making"—that provided information about advertising (O'Dell, 1935, p. 89).

Four years later the Department of Rhetoric and Oratory offered the first course in journalism at the University of Illinois. Part of the course focused on advertising (O'Dell, 1935, p. 68).

In 1908 Walter Williams was named dean of the country's first school of journalism at the University of Missouri. Williams mentioned advertising in "The Journalists' Creed,"

I believe that advertising, news, editorial columns should alike serve the best interests of the readers; that a single standard of helpful

truth and cleanness should prevail for all; that the supreme test of good journalism is the measure of its public service (*University of Missouri Bulletin*, July 1930, p. 2).

Advertising became part of the school's curriculum, with "Advertising and Publishing," which was offered in 1908, as the school's first course in advertising (Williams, 1929, p. 80). For a listing of these early programs, see Table 1.

Table 1. Programs that Included Advertising

Date	Who	Proposal
1893	Joseph Johnson Wharton School U. of Penn.	Advertising as one part of one course in a five course proposal.
1898	U. of Missouri	Advertising as one part of one course in a three course proposal.
1902	U. of Illinois	Advertising as one part of one course in a one course proposal.
1908	School of Jour. U. of Missouri	Advertising as one course in a 10 course proposal.

The University of Missouri offered the first degree in advertising in 1910. The courses included "Principles of Advertising," "The Writing of Advertising," "Current Problems in Advertising," "The Soliciting of Advertising," and "Rural Newspaper Management" (John B. Powell, May 1914, p. 76).

Courses in advertising continued to flourish. In May, 1921, Daniel Starch reported about 19 institutions that had responded to a survey. According to Starch, "Each of the institutions gives a first or general course. Six of these institutions designate this course advertising; five designate it as principles, elements, or essentials of advertising; seven as psychology of advertising; and one, publicity and advertising" (p. 411). Starch found that numerous institutions offered specialized courses:

Five insitutions offer a course in advertisement writing or copywriting; five offer a course in advertising design, advertising display, or typography of advertising; three, in advertising campaigns; three in research in advertising; three in the selling of advertising; and each of the following courses is offered in one institution: advertising practice, advertising laboratory, retail advertising, mail-order advertising, photo illustration (p. 411).

In 1927, 18 of the 20 schools of journalism offered courses in advertising. Ten years later 30 of the 32 schools of journalism offered courses in advertising (Ford, 1947, p. 81).

Proposals for the Creation of Journalism Programs

The early programs in journalism were based on one of several proposals. The proposal by General Robert E. Lee, who had been the leader of the Confederate Army during the Civil War, was for the first academic program in journalism. In 1869, Lee, who had become president of Washington College (Washington and Lee University) in Virginia, proposed to the college's board of trustees to allow the institution to offer 50 scholarships to young men who desired to become journalists. Lee's proposal would allow young men the opportunity to study the technical aspects of printing. Although the proposal was adopted, the curriculum was not put into effect (*The Training of Journalists; A World-Wide Survey on the Training of Personnel for the Mass Media*, 1958, pp. 110-111).

Another proposal was by Joseph Pulitzer. In 1903, Pulitzer, who had become an extremely successful publisher and editor, had desired to endow a school of journalism. He expressed his position on education for journalism in an article that appeared in the *North American Review*. Pulitzer described a program that focused on (1) style, (2) law tailored for the journalist, (3) ethics, (4) literature, (5) truth and accuracy, (6) history tailored for the journalist, (7) sociology, (8) economics, (9) "the enemies of the republic," (10) arbitration in its broad sense, (11) statistics, (12) modern languages, especially French and German, (13) science, (14) the study of newspapers, (15) the power of ideas, (16) principles of journalism, and (17) the news (May 1904, pp. 641-680). In short, Pulitzer recommended a program that "emphasized editorial training in the collection and dissemination of news, with major stress placed on the social sciences. Courses dealing with the business aspect of newspaper publishing were to be carefully avoided" (Sutton, 1945, p. 13).

Another proposal was made by Dr. Charles W. Eliot, president of Harvard University, in 1903. Eliot, who had learned of Pulitzer's interest in funding a school of journalism, designed a curriculum that stressed the business side of journalism, as the following courses illustrate:

"Newspaper Administration" (The organization of a newspaper office and functions of various departments and services.)

"Newspaper Administration" (Study of printing presses and other mechanical devices used in publishing.)

"The Law of Journalism"

"Ethics of Journalism"

"History of Journalism"

"The Literary Form of Newspapers" (Approved usages in punctuation, spelling, abbreviations, typography, etc.)

"Reinforcement of Existing Departments of Instruction for Benefit of Students in Journalism" (Background courses coordinated with journalism.) (Lee, p. 13.)

Because of Eliot's emphasis on the business aspects of journalism, Harvard University did not receive Pulitzer's endowment. Columbia University was honored instead. Nonetheless, Eliot's plan, which had emphasized a "practical" education but which was not enacted at Harvard, was adopted at other universities. For a listing of these early proposals, see Table 2.

Table 2. Proposals for the Creation of Journalism Programs

Date	Who	Proposal
1869	Robert E. Lee Washington Col. Lee Univ.	Proposed a program in printing. (Did not include advertising.) Aborted.
1875	Andrew White Cornell Univ.	Proposed a program in journalism. (Did not include advertising.) Aborted.
1895	Bessie Tift Col.	Proposed a program in journalism. (Did not include advertising.) Program offered years Later.
1903	Joseph Pulitzer	Proposed a program in journalism. (Did not include advertising.)
1903	Charles W. Eliot Harvard Univ.	Proposed a program in journalism. (Included Advertising.) Aborted.

Today, the curriculum of journalism at most schools of journalism and/or mass communications has combined the two philosophies. Even programs in advertising have embraced these concepts in the kinds of courses offered.

Business Programs that Included Marketing and Advertising

Although several schools of business existed before 1900, courses in marketing were not offered until 1902. According to H. H. Maynard (April 1941, p. 382), the first course, "The Distributive and Regulative Industries of the United States," was offered by the Economics Department of the University of Michigan in 1902. The description of the course appeared in the university's catalog:

This course which alternates with Course 34, will include a description of the various ways of marketing goods, of the classification

grades, brands, employed, and of the wholesale and retail trade. Attention will also be given to those private organizations, not connected with money and banking, which guide and control the industrial process, such as trade associations, boards of trade, and chambers of commerce (Maynard, April 1941, p. 383).

Simon Litman (October 1950, p. 220), on the other hand, claimed that the course, "The Technique of Trade and Commerce," which he taught in 1902 at the University of California, was one of the first courses in marketing. Litman also claimed that a similar course was offered the same year at the University of Illinois. One of the first courses with "marketing" in its title was "The Marketing of Products," which was offered at the Wharton School of Business, University of Pennsylvania, in 1904. The course emphasized advertising and publicity, as the following description from the university's catalog illustrates:

The methods now practiced in the organization and conduct of the selling branch of industrial and mercantile business. The principal subjects in the field are publicity, agency, advertising, forms and correspondence, credit and collections, and terms of sale (Maynard, April 1941, p. 383).

The Ohio State University offered courses in marketing as early as 1904; in 1907 it offered "Mercantile Institutions," a course that included advertising, as the description from the specific bulletin on Business Administration and Social Science illustrates:

This course considers mercantile organization from two points of view: (1) The evolution of mercantile organizations in the United States and their relation to each other; the origin and development of the various mercantile institutions with special reference to the economic conditions which brought them into existence and perpetuated them. The various methods of marketing goods, and the functions of the various distributors, manufacturers, manufacturers' agents, brokers, jobbers, traveling salesmen, etc. Advertising, its psychological laws, its economic importance and the changes it has introduced in selling goods. The work of stock and produce exchanges. (2) The internal or administrative organization of mercantile concerns. A study of the divisions and subdivisions of mercantile concerns and the relation of the various departments to each other and to the whole. The systems in use of recording and preserving data (Hagerty, July 1936, p. 21).

It should be noted that Robert Bartels (1962, pp. 30-31) claimed the above description was for the “Distribution of Products,” a course that was offered in 1905. It was expanded into a two-term course—“Distributive and Regulative Institutions”—a term later. According to Bartels, the course’s title was changed to “Mercantile Institutions” in 1906.

In 1909 the Harvard School of Business Administration offered the course "Commercial Organization and Methods," which included advertising (Hagerty, July 1936, p. 22).

As more schools of business opened, more courses in marketing were offered. These courses concerned the functional approach—that is, the activities of the marketing process (buying and selling, transporting and storing, standardizing and grading, and advertising, among others), the institutional approach—that is, the types of marketing institutions (wholesalers, agents, brokers, jobbers, and retailers, among others), and the commodity approach—that is, the products (farming, forestry, mining, and manufacturing, among others) (Bartels, 1962, pp. 159-164). According to Jones and Shaw (2008), these approaches are known as the traditional approaches to marketing thought and “dominated academic thinking about marketing until the mid 1950s” (p. 179).

The first course devoted exclusively to advertising was offered by New York University in 1905 (Maynard, April 1941, p. 382).

In 1908 "Advertising and Salesmanship" was offered by Northwestern University. A year later "Psychology of Business, Advertising and Salesmanship" was offered and was taught by Walter Dill Scott, the president of the university (Maynard, April 1941, p. 384).

Courses in advertising were offered by other universities in the years following. Indeed, as Hardy (April 1955, pp. 328-329) reported, “As early as 1930, 66 per cent of all marketing schools offered . . . advertising” In 1950, 70.1 per cent of all marketing schools offered advertising (Hardy, April 1955, p. 329).

The first program in advertising was developed by the School of Journalism at the University of Missouri in 1908 (*University of Missouri Bulletin*, 1959, p. 10). The first department to include "advertising" in its title was the Department of Advertising and Marketing at New York University (*Advertising Age*, 1963, p. 224). This department was started in 1915. For a listing of the early programs that included advertising and marketing, see Table 3.

In 1959, *The Education of American Businessmen: A Study of University-College Programs in Business Administration*, which was written by Frank C. Pierson and others and was supported by the Carnegie Corporation, was published.

Table 3. Programs that Included Marketing and Advertising

Date	Who	Proposal
1881	U. of Penn.	Wharton School of Finance & Economics
1898	U. of California	School of Business founded
1898	U. of Chicago	School of Business founded
1902	U. of Michigan	Marketing as one part of one course in econ.
1902	U. of California	Marketing as one part of one course in econ.
1902	U. of Illinois	Marketing as one part of one course in econ.
1904	U. of Penn.	Marketing as one part in the Wharton School
1904	Ohio State U.	Marketing as one course in the Col. of Commerce and Administration
1905	New York U.	Advertising as one course
1908	Northwestern U.	Advertising as one course
1908	U. of Missouri	Program in advertising founded
1909	Harvard U.	Advertising as one part of one course in marketing in the Grad. School of Business Admin.
1915	New York U.	Dept. of Advertising & Marketing founded

At the time, courses as well as programs in advertising were found in schools of business and schools of journalism. Pierson and others' study examined the various disciplines, including marketing, offered by schools of business. On page 227, Pierson and others presented a suggested curriculum for undergraduates interested in studying business. For the “business foundation subjects” and the “functional business subjects,” see Table 4.

Only one course was listed for marketing and it was “Marketing Management.” Not one course was listed for advertising. The same year Robert Gordon and James Howell published *Higher Education for Business*, which was supported by the Ford Foundation. On page 209, the authors presented a “core” of courses for undergraduate business students. See Table 5.

The authors believed students should not be allowed to enroll in more than one or two electives in business after the “core.” The authors listed one course in marketing and no courses in advertising.

Table 4. Suggested Undergraduate Curriculum

<u>Business Foundation Subjects</u>	<u>No. of Sem. Hrs.</u>
Principles of economics	6
Economics of the firm (microanalysis)	3
Economics of money & income (macroanalysis)	6
Quantitative methods (accounting-statistics)	6
Advanced elective in quantitative methods*	0-3
Political & legal factors in business	3
Organization & human behavior	3
Functional Business Subjects	
Personnel management	3
Production management	3
Finance management	3
Marketing management	3
Business policy & social responsibilities	6
Studies in major subject (exclusive of work in business foundation & functional subjects)	9
Electives (no more than one in major subject)	0-6
<u>Total sem. hrs. in business & economics</u>	<u>54-60</u>

*An advanced elective in mathematics-science or in quantitative methods could be substituted for each other.

Table 5. Suggested Professional Base or "Core" for Undergraduate Business Students

<u>Subject</u>	<u>Sem. Courses</u>	<u>Sem. Hrs.</u>
Organ. theory & management principles	2	6
The market environment & functional management	3-5	9-15
Finance		
Marketing		
Industrial relations		
Human relations		
Production or operations management		
Information & control systems	3-4	9-12
Managerial accounting		
Statistical analysis & related topics		
Advanced economics	2	6
Aggregate economics		
Managerial economics		
Legal environment of business	1	3
Integrating the management viewpoint	1	3
Business policy		
<u>Totals</u>	<u>12-15</u>	<u>36-45</u>

After these studies had been read by academicians, action regarding the curriculum was taken by the American Association of Collegiate Schools of Business (now The Association to Advance Collegiate Schools of Business) (AACSB), which accredits business programs, and subsequently by several schools of business. For instance, by 1963 at least 13 schools of business had discontinued their programs in advertising (Ross, 1965, p. 28).

Some of these programs in advertising were adopted by schools of journalism and/or mass communications. *This trend continues.* Indeed, according to *Where Shall I Go To Study Advertising and Public Relations?* (Ross and Richards, 2008), only 11 out of more than 100 programs in advertising are located in schools or colleges of business, and most can be found in these schools or colleges' marketing departments.

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THE ETHICS OF STEALTH MARKETING

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ABSTRACT

The stealth marketing practices of seeding, covert product placement, posing, and undercover pitching present a means to break through the advertising clutter and noise in the consumer environment. But do these unconventional forms of marketing treat the consumer in a fair manner? Through a case study approach, this study will examine the relative merits of the four stealth marketing practices in the context of the ethical codes published by the American Marketing Association, the Word of Mouth Marketing Association, and the Federal Trade Commission.

INTRODUCTION

Variations of guerilla marketing, undercover marketing, and buzz marketing fall under the guise of stealth marketing. Stealth marketing may be best described as marketing to consumers in such a manner that they do not recognize they are being marketed to. Stealth marketing methods include seeding, covert product placement, posers, and undercover pitchmen. These forms of marketing have long been viewed as a means to break through all the noise in the marketplace. Researchers estimate that consumers are exposed up to 5,000 commercial messages daily. (The Impact of Advertising on Purchase Decisions, 2007) Consumer avoidance of marketing stimuli continues to be a big problem for marketers. Over half of consumers do not like TV advertising and would prefer it did not exist. (Forrester Research, 2007) Another study found that 54% of U.S. consumers avoid ads. (Webb, 2001) Consumers tend to avoid being exposed to more ads than they can process so they put up defense mechanisms by avoiding ads for product categories they do not use or by ignoring ads they have seen before because they already know what those ads will say. (MacInnis, 2008) In addition, consumers tend to dislike and avoid advertising that is perceived to be intrusive, boring, and uninformative. (S. M Edwards, 2002)

As the lines between traditional forms of marketing - such as print, radio, and television advertising - and new alternative forms of marketing blur together, the marketing profession must also learn to recognize the legalities and ethics involved in these new forms of marketing. Various associations plus the Federal Trade Commission publish ethical guidelines for organizations. But do these principles provide enough ethical direction for organizations to follow? Do organizations recognize or even agree with the guidelines? Is stealth marketing itself inherently unethical?

This study attempts to examine the basic principles of published marketing ethical guidelines and their

relevance to the new forms of alternative marketing that are stealthy in nature. The organization of this paper is to examine relevant key components of the ethical guidelines published by the American Marketing Association (AMA), the Word of Mouth Marketing Association (WOMMA), and the legal guidelines published by the Federal Trade Commission (FTC). Thumbnail case studies that represent situations in each category of stealth marketing will be discussed to examine how the present ethical guidelines address the ethical issues raised in the case. Finally attempts to draw lessons that can provide ethical guidance to address these relatively new forms of alternative marketing will be discussed in the findings.

ETHICAL FRAMEWORKS

Case studies provide an avenue to intellectually engage in a discussion of an organization's ambiguous problems in the context of the environmental constraints in which the organization operates. The thumbnail cases represent the opportunity to examine potentially problematic stealth marketing practices within the respective ethical codes and standards as conceived by the AMA, WOMMA, and the FTC. These codes attempt to form judgments on what is considered proper conduct and to address behaviors that is of serious consequence to human welfare.

The AMA code of ethics center around the concept of the normative values by "...acting as stewards of society in creating, facilitating, and executing the efficient and effective transactions that are a part of the greater economy." (Statement of Ethics, 2009) The three normative values explicitly mentioned include do no harm, foster trust, and act with integrity. WOMMA's marketing ethics code of conduct emphasizes principles that address business practices such as protecting and respecting consumers, conducting a relationship in an honest manner, respecting the rules of the venue in which a business conducts business, man-

aging relationships with minors responsibly, honest downstream communications, and to protect consumer privacy (Word of Mouth Marketing Ethics Code of Conduct (The "WOMMA Code"), 2009). The FTC deals with both regulation and ethical practices by addressing unfair, deceptive, or fraudulent practices in the marketplace. They work to empower consumers by providing them with free information to help them exercise their rights and spot and avoid fraud and deception. (Welcome to the Bureau of Consumer Protection, 2009).

CASE STUDIES

Nokia Canada

Seeding involves giving new products to trendsetters to help build a buzz around the product (Daniel Eisenberg, September 2, 2002). Nokia Canada recently teamed up with a word of mouth advertising company, Matchstick, to market Nokia's new camera phone through the blogging community. If bloggers have over 400 hits a day, are considered young and hip, and use a particular wireless service, they qualified for a free phone. Currently 90 bloggers are carrying Nokia's product. The co-founder of Matchstick states that their methodology is to seed products with influential consumers. The ethical dilemma occurs because now a group of favored bloggers has received a gift and may tell the world how much they like the product but are not obligated to disclose how they obtained the product. Matchstick argues that they present the gift with no restrictions – that is the bloggers do not have to write about the phones at all, and if they do they can say anything good or bad about the product they wish. (Nokia 'seeds' bloggers with free camera phones, 2006)

Mercedes-Benz

Covert product placement occurs when a good is positioned without any knowledge or consent by the sponsored activity. In 2002, Mercedes-Benz created a trailer for a new movie thriller called "Lucky Star." Directed by Michael Mann (famous for movies such as "Ali," and "The Insider") and starring Benicio del Toro, the trailer appeared in British movie theaters and on television. Scenes showed del Toro engaged in action scenes such as being chased around Los Angeles by helicopters and escaping pursuers on a freeway. The catch: "Lucky Star was not a real movie. The goal instead was to feature del Toro driving a silver convertible sporty Mercedes. However the Mercedes logo is never shown and the company's name never appears in the trailer. Should the movie theaters and television programs have been alerted that the movie wasn't real?

Did Mercedes have an obligation to disclose the trailer was really a commercial? (Graser, 2002)

Sony Ericsson

Posers are people hired by a marketing firm and embedded in an environment where they can pitch a company's products to unknowing consumers. In 2002, one such firm put on a self-referred stunt that was referred to as "Fake Tourist." Sixty actors were hired to walk around New York City and Seattle getting people to take their picture with Sony Ericsson's new camera phone. The actors did not indicate they worked for Sony unless directly asked. The actors were instructed not to sell, only to demonstrate the product. The goal was to create consumer desire based on the phone's benefits and for the actors to provide information to the consumer when asked. Do Sony Ericsson posers have an obligation to disclose that they are hired representatives of the company to the consumers they interact with? (Capps, 2007)

Proctor and Gamble

Similar to posers, undercover pitchmen represent consumers who typically epitomize opinion leaders. These pitchmen are basically unpaid; the only reward they typically receive are free product samples from the producer of the goods they promote. Proctor and Gamble operates a program called "Vocalpoint," a word-of-mouth marketing program designed to pitch many types of products. The goal is to craft product messages mothers will want to communicate to other mothers, share opinions, and give samples and coupons. Proctor and Gamble hopes to use personal endorsements to cut through the advertising clutter. Vocalpoint's CEO states "...That the most powerful form of marketing is an advocacy message from a trusted friend." An example of the influence of this program is one particular working mother who works at a call center where she knows 300 coworkers by name. She spends so much time talking about Proctor and Gamble products and handing out discount coupons that she is known as "The Coupon Lady."

A check of the Vocalpoint website reveals no affiliation with Proctor and Gamble, raising the question "Should a person spreading a product message reveal their affiliation?" What if the consumer simply thinks they are helping their friend and aren't aware of the affiliation themselves? Proctor and Gamble states that it is up to these consumers to recognize affiliation concerns and to make disclosure decisions on their own. (Bernier, 2006)

DISCUSSION

As marketers face the challenge of how to break through all the environmental noise that consists of marketing clutter, techniques to reach consumers, particularly younger ones, become more paramount to companies. Marketers continuously look for innovative ways to reach and engage with their target market. Stealth marketing seeks to break through the shield many consumers have placed around themselves to fend off traditional forms of marketing by reaching into their private world through unconventional means and engage them in a memorable experience with products and brands.

But do these unconventional forms of marketing treat the consumer in a fair manner? Is stealth marketing unethical? By its very name, stealth marketing involves practices that tend to push against the ethical constraints as identified through the American Marketing Association and the Word of Mouth Marketing Association. The AMA ethics code suggests that for stealth marketing to be considered fair, marketers and the organizations they represent must do no harm, foster trust, and act with integrity. WOMMA's code of conduct emphasizes that organizations should follow sensible practices that protect, respect consumer relationships in an honest manner. The FTC focuses on deceptive practices.

Do the stealth marketing practices of seeding, covert product placement, posing, and undercover pitching treat consumers in an unfair manner? The central tenet in all the cases and to stealth marketing practices focuses on the ethical issue of whether or not an organization is obligated to disclose their marketing practices to their targets. By AMA standards, an organization could certainly act with integrity with the commitment to do no harm to a consumer. An argument could be made that Nokia Canada, Sony Ericsson, and Proctor and Gamble followed this standard in the respect that their actions would not harm the consumer in any way. One can dispute the fairness of the Mercedes-Benz use of a covert trailer of a non-existent movie, building up movie-goer expectations of what appears to be a genuine movie and then ruin those expectations by revealing the trailer does not represent a real movie, but a commercial. Certainly a case can be made that in all four cases the companies are fostering a false sense of trust by not fully disclosing they were behind the marketing initiatives.

The four stealth marketing practices in this study also appear to breach WOMMA's ethical code of conduct. By not disclosing that they were sponsoring the marketing campaign none of the companies appear to respect the consumers and to treat them in an open and honest manner. The FTC guidelines regarding deceptive practices look at practices that are misleading, dis-

honest, or not transparent in nature. Lack of disclosure by stealth marketers suggests that the FTC may have difficulties with their practices.

Stealth marketing practices appear to be on the rise and that the issues raised in this study are not going to vanish. One survey found that 94% of respondents thought that marketers will use alternative marketing approaches more frequently into the future. (Atkinson, 2004) The AMA, WOMMA, and FTC need to not only publish ethical guidelines but find more practical means to enforce their codes on their constituency.

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ENSURING SAFE PRODUCTS FOR CONSUMERS: A REVIEW OF CORPORATE SOCIAL RESPONSIBILITY AND GOVERNMENT SAFETY REGULATION

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ABSTRACT

All companies have a responsibility to design and deliver safe products to their customers, and yet unsafe products continue to reach the American market. Injuries and deaths associated with consumer products represent a high cost to society, as do the costs of regulatory actions designed to prevent harm. The FDA, the NHTSA and the CPSC all are involved with consumer product safety, but represent significant differences regarding mission, size and scope of operations. The FDA and the NHTSA have traditionally had powers to both mandate *and* enforce regulations, and these agencies appear to have been more effective in improving safety than the CPSC which operates on a voluntary approach.

This conceptual paper reviews the current state of government consumer product safety regulation and identifies current regulatory concerns with respect to corporate social responsibility (CSR). CSR begins with the idea that business entities are created in order to fulfill a specific need in society. Individuals come together to form businesses because of the belief that a group of individuals, acting together, can fulfill society's need better, more completely, or more efficiently than individuals acting alone. Consequently, businesses are perceived to have obligations to society, and these obligations are called *corporate social responsibility*. The literature describes at least five distinct models of CSR, including (1) profit maximization, (2) moral minimum, (3) marketing concept, (4) stakeholder concept, and (5) societal concept. Given the fact that marketing textbooks and journals have been endorsing stakeholder and societal models for the last twenty years, one might expect that America's corporations have also been adopting this enlightened understanding of corporate social responsibility. Ostensibly, this should include a renewed sense of responsibility to protect consumers by vetting all new product ideas thoroughly and making sure that nothing is released to the market unless it is absolutely safe. Unfortunately, given the results of notable product recalls in the recent news, many companies may still be firmly attached to profit responsibility as their preferred view. Those that follow the profit maximization model are likely to have a more restricted concern for the safety of the products they produce and sell than those manufacturers that follow other models of CSR.

This paper proposes three areas for research necessary to improve the effectiveness of product safety regulation. Research is advocated to better understand the merits of voluntary versus mandatory standard setting procedures, understand the relationship between a firm's CSR philosophy and product safety performance, and understand procedures and mechanisms that can be used to regulate targeted safety priorities without burdening all companies and all products with high levels of control.

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THE ROMANIAN RETAIL CONSUMERS AND THEIR UNDERSTANDING AND VALUE OF CORPORATE SOCIAL RESPONSIBILITY - AN EMPIRICAL STUDY ON THE RETAIL MARKET IN ROMANIA

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ABSTRACT

In order to build a better and more profitable corporate image, Western firms have been investing in social responsibility. The Romanian consumers have fairly recently been exposed to this holistic marketing concept. This article verifies conventional corporate social responsibility principles of building customer loyalty as well as goodwill from stakeholders.

INTRODUCTION

In the fall of 2009, Romania along with other nations in Eastern Europe, formerly known as „Soviet satellites” celebrated twenty years since the fall of communism. Most experts agree that the Revolution of 1989 that swept across the region was not necessarily an overwhelming rejection of the ideological or the political system as much as it was a longing for a market-based economy and the economic prosperity it promised to bring. Although the transition from a centralized economy is not entirely completed, Romania is enjoying western-like market economy with numerous private firms – national and international – competing for the ever-growing consumer market of the nation.

In this new environment, where the Romanian firms have not only escaped centralized planning but quite the contrary joined the largest consumer market in the world, notably the European Union, the issue of corporate social responsibility is both a challenging new concept and a required competitive strategy. Moreover, the multinationals who have entered the Romanian market in the past twenty years have been faced with new definition of corporate social responsibility, whether to be equally or less social responsible in Romania than in their home country.

Traditionally, the concept of social responsibility is the concern exhibited by a firm towards the interests of the greater society and the care that it gives towards its employees, clients, suppliers and the community as a whole including the environment. Through their day-to-day activities and well-targeted public relations (PR)

strategies, firms seek to improve their overall image (Gilbert, 2003), first in the minds of their targeted consumers, but also the other stakeholders that can have an impact upon the success of their business. Implicitly this strategy of corporate identity building entails the creation of a likeable climate and of positive and profitable respect from the community the firm considers as its stakeholders (Liebmann et al., 2008). Figure 1 depicts the various components that make up the corporate social responsibility as viewed through the lens of „competitive advantage” creation. Thus, competitive advantage is determined by the socially responsible manner in which the company makes use of the marketing instruments.

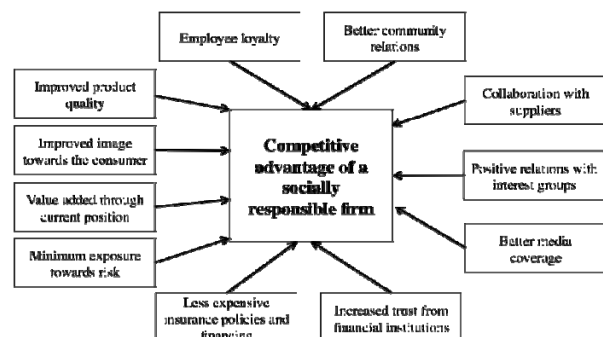


Figure 1. Elements that determine the corporate social responsibility of stakeholders (Gilbert, 2003)

Our paper will proceed in the following manner. First a contextualized literature review is offered, followed by the introduction of the CSR concept in the Romanian retail context. Then the promoting of CSR system through the marketing instruments is considered. The paper continues with the operationalization of the constructs and research methodology followed by conclusions and recommendations for future research.

The first objective of the paper is to distinguish among perceptible characteristics of the marketing instruments of a retailer. The second objective is to determine how the marketing instruments influence the CSR activities of the retailer.

CONTEXTUALIZED LITERATURE REVIEW

The European Commission highlights the main three factors that each firm must take into account when it is seeking to obtain a sustainable position on the market: (1) development from a social perspective, (2) development from an economical perspective and (3) development from an ecological perspective (KOM, 2001).

According to Meffert et al. (2005) corporate social responsibility is a holistic approach where a firm considers all its social, ecological and economical opportunities to voluntarily take upon itself the responsibility of its community and to maintain the legal norms (Herchen, 2007).

The concept of corporate social responsibility in the Romanian academic literature has been newer but perhaps more vigorous (Oprea, 2005). The general agreed definition has been the overall attitude that a firm exhibits towards the community in its profit maximization efforts by behaving ethically, paying special care to the environment and taking into consideration the needs and interests of all direct or indirect partners (Oprea, 2005).

In the new borderless global economy the issues of corporate social responsibility becomes even more complex by the fact that the term „community” must be properly addressed. Who does a multinational corporation feel it has to be social responsibility towards? Obviously all the social activities can contribute to the improvement of the overall image and the reputation of the company, but how feasible is it that a multinational would be just as socially responsible in its host country as it is in its home country? Further more what about the differences in understanding of what social responsibility is in various parts of the world? Do consumers uniformly reward a uniform corporate social responsibility?

According to Oprea (2005), the Romanian understanding of corporate social responsibility includes, but is not limited to the following:

- Special donations and sponsorships for various cultural, sports or education events
- Volunteering in various community projects
- Donation of equipment to be used in various charitable initiatives
- Environmental protection initiatives such as recycling and energy saving techniques.

To focus the discussion regarding corporate social responsibility further there are numerous examples of a positive correlation between social concerns and brand loyalty in the global area of retailing. For example, the Swedish furniture maker IKEA charge all its suppliers from India to monitor their production activities in such a way as to avoid at all cost the employment of minors in their production processes. Not only that, but according to a September 15, 2004 article in the Financial Times (Luce, 2004), IKEA became proactive in the educational efforts of Indian children by sponsoring a number of transitional schools targeted at young people who missed their change of formal training, but now were willing to take up again their educational process. Kraft Foods is another example who along with numerous retailers such as Caribou Coffee and Starbucks Coffee have been subscribing to the Fair-Trade Organization practices and pricing strategies. The main social contribution of this Bonn based organization is to ensure that the agricultural producers are rewarded a fair price for agricultural products (Fairtrade, 2009).

CORPORATE SOCIAL RESPONSIBILITY IN ROMANIAN RETAILING

As it might have been expected large multinational retail chains with a solid tradition of corporate social responsibility in their home country easily transferred those practices into the country of Romania. Those practices ranged from the reduction of electrical energy to placement of recycling centers to the selling of biological fuel (Super-ethanol E85). Carrefour (ranked the 32nd largest Fortune 500 Global Corporation in 2007) is perhaps one of the leading retailers in Romania who has an aggressive corporate social responsibility through a number of ecological and socially responsible initiatives. Another relevant example is Auchan of a foreign multinational (originating from France as well) that has penetrated the Romanian market in 2006 and has established six hypermarkets (Swoboda et al., 2009). Among Auchan’s social responsibilities we can include a strict guarantee of the freshness of their products as well as the active integration of handicapped people among its staff.

PROMOTING CSR THROUGH THE MARKETING INSTRUMENTS

Given the above-mentioned corporate social initiatives imported into Romania by the Western retailers, the authors of this study decided to research this phenomenon further through an empirical study of the Romanian retail clientele. The main thrust of this study was to find out which marketing instruments available to all retailers influence the perception of consumers towards firms trying to boost their corporate social responsibility. Perhaps in a subsequent study we shall research the profitability of creating such a brand loyalty through corporate social responsibility. Conventional wisdom tells us that a classical producer has four basic marketing instruments in contrast to a service provider who may have five, seven or even nine such instruments. The retail outlets depending on their particular niches have a combination of the two (Dabija et al., 2009), but Romanian retailers seem to be favoring price and promotion to all others. Food and textile retailers are promoting their brand image using both „above-the-line” and „below-the-line” instruments (Esch et al., 2006). For all retailing outfits, location is a crucial decision along with the ambiance and cleverness of the store design (Ailawadi et al., 2004). Corporate social responsibility is typically not evaluated separately, but considered by most authors as a vital component of the image and the reputation of the firm along with its financial performance, the environment, leadership and organizational behavior (Fombrun et al., 2000a).

OPERATIONALIZATION OF CONSTRUCTS AND SELECTION METHODOLOGY OF RESEARCH SUBJECTS

In order to establish the degree of social responsibility perceived by the Romanian consumers as a result of the various marketing strategies employed by retailers in Romania, we have operationalized those concepts using similar studies.

The specific and original research we undertook was on 1,085 questionnaires posed to randomly selected Romanian consumers. A quota sampling (quota sampling according to Reynolds, Simintiras & Diamantopoulos, 2003) on age and sex was utilized, according to demographic data from the Annual Romanian Statistics Report (2006). The face-to-face interviews were conducted in the second largest city in Romania, where the majority of the 19 identified retailers are subsidiaries of Western Europe large retailers. These have penetrated the Romanian market 14 years ago, due to the growth opportunity in this sector. The respondents have men-

tioned the three main retailers where they usually buy groceries. The interviewer would continue with the questions regarding one of the three retailers, which was randomly chosen among those mentioned. It was not our intention to focus on a specific retail format, thus the number of questionnaires varied among the formats (hypermarket, supermarket...).

In the questionnaire genesis, we posed an auto selective question regarding the consumers' actual behavior of shopping. The results were as following: 359 subjects indicated the hypermarket category (Auchan, Carrefour, Cora, Real and Oncos); 271 indicated the supermarket category (Billa and Kaufland); 123 consumers indicated local convenience stores; 89 consumers indicated cash&carry (Metro and Selgros) for which a membership card is required; 83 consumers indicated discounters (Profi and Plus); 63 consumers indicated specialty items or textile retailers; 45 consumers shopping centers (Polus Center, Iulius Mall, Sigma Shopping Center, Sora Center) and 31 consumers chose the DIY category (Ambient, Praktiker and Baumax). Thus, we have performed a validity and reliability (Churchill, 1979) test utilizing SPSS. Also, using Cronbach's α coefficient and item-to-total correlation we verified the internal consistency of each marketing instrument. As a result the operationalized items that did not meet the minimal levels were excluded. Further, we have utilized EFA (Exploratory Factor Analysis) to check the stability of each item, so as to determine that they do not generate additional factors. As previously mentioned, the minimum variance accepted was 50%. The analysis continued with a full EFA for all the variables that represent the marketing tools, in order to determine if the six factors identified in the literature are confirmed with our empirical data and in what order. At this stage we have excluded all items that did not meet the minimum requirements or that would load two or more factors, thus weakening the results. After this, we have verified the resulted structure using CFA (Confirmatory Factor Analysis) and discriminator analysis.

Five factors were extracted with a satisfactory KMO measure of sampling adequacy of .894 and the χ^2 of Bartlett's test of sphericity of 25,098.4 ($df = 171$ and $p = .000$). One further assortment item had to be excluded (Nunnally & Bernstein, 1994), and the estimated interdependency between assortment and store layout could not be confirmed. To validate the factor structure, the second half of the sample was used in a confirmatory factor analysis, with satisfactory values and satisfactory indicator reliability as well as discriminant validity (Fornell & Larcker, 1981) (see Table 1).

Table 1. Discriminant validity of the constructs

	Squared correlations between constructs					
	Assortment/ store layout	Location	Communication	Price	Service	CSR
AVE	.52	.65	.71	.52	.64	.50
Assortment/store layout	.52	-				
Location	.65	.08	-			
Communication	.71	.17	.15	-		
Price	.52	.42	.07	.16	-	
Service	.64	.51	.03	.07	.25	-
CSR	.50	.49	.32	.14	.27	.32

Legend: AVE = Average Variance Explained

The main factors identified by the consumers to have an impact upon their buying behavior and brand loyalty were: (a) store ambiance, (b) promotional strat-

egy, (c) price, (d) service, (e) location and (f) assortment. The results are as follows:

Table 2. Matrix structure for the retail marketing instruments

Factor/ Item	(a) Ambiance	(b) Promotion	(c) Price	(d) Service	(e) Location	(f) Assortment
Simple and ease of shopping	.755					
Pleasant ambiance	.715			.572		-.561
I like the interior design	.677					-.528
Easy to get around in the store	.649					
The store is clean and tidy	.593			.583		-.541
Accessible informative paraphernalia		.874				
New informational paraphernalia		.863				
Good advertising		.815				
Other information		.774				
Personal communication		.686				
Affordable prices			-.782			
Good value for the money			-.763			
Consistent pricing			-.745			
Comparable prices with other retailers			-.725			
Attractive special offers			-.628			
Impeccable service				.847		
Friendly and courteous personnel				.837		
Well trained and qualified personnel				.709		
Lack of waiting lines at cash-registers				.533		
Packaging of shopping				.498		
Other retailers					.850	
Other grocery-stores					.773	
One stop shopping	.523					-.710
Good product quality						-.669
Rich assortment	.549					-.662
Availability of products						-.631
Multitude of store brands						-.557
Special assortment (fresh)						-.543

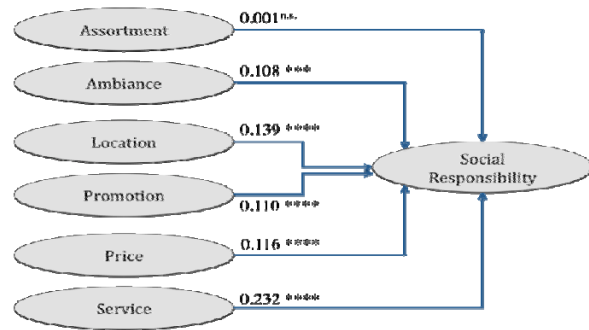
(Extraction Method: Principal Axis Factoring. Rotation Method: Oblimin with Kaiser Normalization)

Further we analyzed the items pertaining the corporate social responsibility, which are illustrated by a factorial analysis in Table 3 and their correlation in Figure 2.

Table 3. Structure Matrix with the exploratory factor analysis for the social responsibility

Item	Factor
The retailer ... is acting socially responsible.	.876
The retailer ... is showing care towards people and environment	.774

Initially we utilized the exploratory factorial analysis in order to validate each of the six factors and find its bearings upon corporate social responsibility in the opinion of the Romanian retail clients. The second step was to aggregate all the retail units utilizing multiple regression analysis. This helped us validate the model shown in Figure 2 and gave us the indicators listed above: service ranking the highest with 0.232, followed by location with 0.139, followed by price at 0.116, promotion 0.110, ambiance at 0.108 and assortment ranking as least significant at 0.001.



(Legend: n.s. – not significant; *p<0.1; **p<0.05; ***p<0.01; ****p<0.001)

Figure 2. The CSR model

Further more our research concluded by segmenting the results upon each category of retailing. As a result, in Table 4, we present the influences of each marketing instrument upon corporate social responsibility given the specific retail segment. Upon observing this table we must keep in mind our finding that assortment has little influence on corporate social responsibility in contrast with all the others.

Table 4. Elements of CSR on all Retailing Categories

Retail category	Cash & Carry	Discounter	Hypermarket	Convenience stores	Supermarket	Shopping centers	DIY	Clothing + Sports + Shoes	All retailing categories
Respondents	89	83	359	123	271	45	31	63	1085
Ambiance → CSR	.022 n.s.	.126*	.171**	.043 n.s.	.057 n.s.	.113 n.s.	.105 n.s.	.069 n.s.	.108****
Promotion → CSR	-.127 n.s.	.175 n.s.	.118**	.145 n.s.	.211****	.102 n.s.	-.240 n.s.	.018 n.s.	.110****
Price → CSR	.359***	-.151 n.s.	.147**	.194*	.079 n.s.	.536***	-.031 n.s.	-.050 n.s.	.116****
Location → CSR	.099 n.s.	-.109 n.s.	.049 n.s.	.015 n.s.	.102*	-.003 n.s.	.330 n.s.	.300**	.139****
Service → CSR	.335***	.308**	.259****	.370**	.243***	-.195 n.s.	.446*	.075 n.s.	.232****
Assortment → CSR	.075 n.s.	-.120 n.s.	.053 n.s.	.034 n.s.	.076 n.s.	-.143 n.s.	.202 n.s.	.075 n.s.	.001 n.s.
F	5.710****	6.427****	20.239****	9.661****	12.038****	4.373***	.910 n.s.	4.369****	58.029****
R ² adjusted	.243	.284	.244	.299	.197	.315	.000	.246	.240
Durbin-Watson	1.507	1.072	1.333	1.432	1.373	1.877	1.506	2.397	1.446

Legend n.s. – not significant, *p<.1, **p<.05, ****p<.001

CONCLUSIONS

Considering the above results and given the already existing corporate social responsibility in Roma

nia we are beginning to witness the concept taking place both in Romanian retailers as well as in their consumers minds. Certainly, only few private firms pursue the concept of corporate social responsibility

without at least a partial perspective towards profit maximization. Perhaps, in future studies we shall research the profitability of corporate social responsibility, now that the concept exists and has been promoted in many areas of the Romanian economic landscape, but specifically the retail sector. We hope this would motivate even more firms to act socially responsible not just towards the environment – which indeed is a great need – but more importantly towards the social needs of the society. At the dawn of 2010 the future prospects for government budgets, both locally and nationally in Romania certainly looks grim. We believe that it may be the responsibility of private firms, both foreign and domestic to shoulder some responsibilities traditionally belonging to the government so they will prove that they can truly be good corporate citizens even in a time of crises.

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CUSTOMER AND MARKET ORIENTATION TOWARD STUDENTS, PARENTS OF STUDENTS, AND EMPLOYERS OF STUDENTS: SURVEY RESULTS FROM MARKETING DEPARTMENT CHAIRS, BUSINESS SCHOOL DEANS, AND ACADEMIC VICE-PRESIDENTS OF AACSB-INTERNATIONAL SCHOOLS

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ABSTRACT

This paper is part of a continuing research stream dealing with organizational behavior and culture in higher education, specifically within AACSB-International business schools and marketing departments. Customer and market orientation within AACSB schools of business are at the center of the research. A customer orientation strategy is a necessary part of an organizational environment leading to a market-oriented culture and is based upon the acceptance and adoption of the marketing concept. The market-oriented organization recognizes the importance of coordinating the activities of all departments, functions, and individuals in the organization to satisfy customers by delivering superior value. The market-oriented organization continually monitors customer information, competitor information, and marketplace information to design and provide superior value to its customers. Theory and empirical research suggest that higher levels of market orientation result in higher levels of performance.

Using responses to a national survey sent to AACSB-International members schools located in the United States, we report perceived customer orientation levels as part of a larger measure--market orientation levels--toward students, parents of students, and employers of students. Customer orientation and market orientation levels are reported for Academic Vice-Presidents, Business School Deans, and Marketing Department Chairs. 102 Vice-Presidents, 141 Business School Deans and 94 Marketing Department Chairs responded.

Comparisons of the various input scores submitted by the survey respondents are made against a benchmark established for businesses in the marketing literature and then scores are compared by administrative groups against one another. A synopsis of the research indicates that business managers report higher levels of market orientation toward customers than the educational leaders report toward students, employers of students, and parents of students. This may be an indication that business school administrators either do not view students, employers, or parents as customers or that the implementation of the marketing concept has not been embraced by business school administrations, or both. A particularly interesting finding was that the higher up an administrator was within the hierarchy, the higher the levels of reported customer and market orientation. This indicates that the implementation or the perceived level of importance of the marketing concept differs across the various levels of administration. For a market orientation strategy to be successful, marketing theory suggests that the strategy must be implemented at all levels of the organization. This seems to be lacking in the case of business schools. The paper presents details of the research process, findings, statistical inferences, and discusses the implications of the research for schools of business and academic marketing departments.

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MARKET ORIENTATION OF UNIVERSITY DEPARTMENTS AND UNIVERSITY PERFORMANCE

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ABSTRACT

This study examines market orientation within the university context. We find that the construct of market orientation of university departments is different from that of private companies. Only two dimensions of market orientation derived from this study and both of them are positively correlated to university performance.

INTRODUCTION

With the recent economic downturn, universities, both public and private, are facing significant budget constraints. While public universities are affected by government budget cuts, private universities face shrinking resources due to reduced donations and investments. Being faced by these challenges, universities adapt by cutting the costs and increasing revenues. Many universities have postponed building renovations, minimized hiring, and reduced or eliminated salary increases.

Cost cutting, however, is only a short term solution. Consequently, many universities focus on programs that can generate long-term revenue for their institutions. Some universities expand their target market, entering a global arena and recruiting an increasing number of international students specially from Asian market, such as China and India (Iling 1996). Other universities try to build the bridge between university and industry to facilitate the technology transfer process. Still, others create many different programs to meet specific community needs, (for instance, entrepreneurial programs, leadership certificate programs, etc.). Even though universities are not-for-profit organizations, generating revenue is critical for them. To survive the competitive pressures and economic downturns, universities have to adapt to environmental changes including political, economic, and technological changes. Market-oriented university culture can help universities facilitate and manage the change process. More than two decades ago, Kotler and Fox (1985) addressed the importance of strategic marketing in higher education. Market orientation is a critical factor that determines universities' performance in an increasingly competitive environment.

Even though the two articles published in 1990 examined market orientation from different

Considering market orientation as one type of organizational culture, this study examines how market orientation affects university performance (Homburg, Krohmer, and Workman 2004). Next, we review market orientation in the business sector followed by a review of university performance. Then we discuss the methodology of this study, followed by study findings. The discussion of market orientation within the university context concludes our report.

MARKET ORIENTATION IN PRIVATE SECTOR

During the last two decades, there has been a growing body of research exploring the construct of market orientation and its impact on business performance (Day 1994; Hurley and Hult 1998; Jaworski and Kohli 1993; Kohli and Jaworski 1990; Narver and Slater 1990; Slater and Narver 1994b; Slater and Narver 1995; Slater and Narver 2000). The initial work by Narver and Slater (1990) and Kohli and Jaworski (1990) first introduced the concept of market orientation from two different perspectives: behavioral perspective and cultural perspective. Kohli and Jaworski (1990) described market orientation from behavioral perspective, and stated that market orientation includes the generation and dissemination of market intelligence, as well as the response to such intelligence. Narver and Slater (1990) defined market orientation from a cultural perspective as "the organizational culture...that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and thus, continuous superior performance for the business" (p. 21). Based on their description, a market orientation contains three dimensions: customer orientation, competitor orientation, and interfunctional coordination. perspectives, there are commonalities between the two perspectives. Based on Kohli and Jaworski (1990)'s

argument, the market intelligence includes “a broader concept than customers’ verbalized needs and preferences in that it includes an analysis of exogenous factors that influence those needs and preferences” (p. 4). These exogenous factors include government regulations, competition, technology and environmental factors, which influence the needs and preferences of their customers. The definition of market intelligence contains two orientations defined by Narver and Slater (1990). In addition, the generation, dissemination, and the reaction responding to market intelligence requires interfunctional coordination within the organization.

Narver and Slater (1990) and Kohli and Jaworski (1990)’s seminal work provides a theoretical background for later studies. These studies offer support for a positive relationship between market orientation and performance (Deshpande and Farley 1998; Matsuno and Mentzer 2000; Slater and Narver 2000). Market orientation also enhances customer’s perception of quality of products and services provided, thereby creating and maintaining superior customer value (Brady and Cronin 2001), and increasing customer satisfaction and loyalty (Slater and Narver 1994b). Hult and Ketchen (2001), who examined the impact the market orientation on firms’ innovativeness, found that market orientated companies are more innovative and have a high ability to create and implement new ideas, products, and processes. Increased innovation, in turn, is related to firms’ ability to bring in new products and services (Im and Workman 2004).

The relationship between market orientation and performance, however, is not a static one. This relationship is moderated by a number of other factors, including market turbulence, technological turbulence, competitive intensity (Slater and Narver 1994a), economic ideology and industry type (Sin, Tse, Yau, Chow, Lee 2005), culture and profit/non profit (Rodriguez Cano, Carrillat, Jaramillo 2004).

Building on previous findings from research on profit organizations, it is reasonable to argue that the relationship also exists in not-for-profit organizations including universities.

MARKET ORIENTATION IN NOT-FOR-PROFIT ORGANIZATION AND UNIVERSITIES

A few studies examined the market orientation in not-for-profit organizations. For example, the market orientation and performance in public sector (Caruana and Ramaseshan 1999; Caruana, Ramaseshan, Ewing 1998b), hospitals (Bhuiyan and Abdul-Gader 1997; Lonial, Tarim, Tatoglu, Zaim, Zaim 2008; Raju Lonial, Gupta 1995; Wood Bhuiyan, Kiecker 2000), local

government (Cervera, Molla, Sanchez 2001). There are also a limited number of studies that examined market orientation within the university setting.

Caruana et al. (1998a; 1998b) surveyed 184 head of schools or departments in both business and other disciplines in Australia and New Zealand. They used MARKOR scale (Kohli and Jawoski, 1993) to examine the relationship between universities, market orientated behavior, and performance. Building on the Narver and Slater (1990)’s work, Hammond, Webster, and Harmon (2006) and Webster, Hammond, and Harmon (2006) examined whether the market orientation scale can be reworded to fit universities context. They also examined the relationship between market orientation and performance measured by the overall subjective performance measure and enrollment change. The results from their studies showed that reworded market orientation scales had adequate reliability and validity. They also found that the relationship between the three dimensions of marketing orientation and overall market orientation were positively correlated with business school performance (measured by student enrollment).

The above two studies, however, present also some challenges. First, there is a need to develop a scale measuring university performance. Present measures of performance are rather subjective. Universities carry different roles in our society. Providing education is only one of the missions of a university. To measure university performance more accurately, multifaceted measures must be developed. Second, Hammond et al. (2006) and Webster et al. (2006)’s studies did not examine the underlying dimensions of market orientation. Although MO is well defined in the private sector, we observe that the university structure is different from other not-for-profit organizations (Todorovic, McNaughton, and Guild 2005). In other words, same elements of market-oriented behaviors expressed by three dimensions of MO in the private sector, evidence themselves in behaviors unique to universities, which try to satisfy multi-pronged mission objectives. Consistent with the observations made by Todorovic (2004) who noted that entrepreneurial orientation evidenced itself with different dimensions within universities, it is posited that market orientation of universities is evidenced with different constructs than is the case in the for-profit world. To this end, we propose to answer the following three questions: 1) What is the underlying structure of market orientation of university departments? Is the structure of market orientation of university departments the same as market orientation of companies? 2) How to measure university performance? 3) What is the relationship between market orientation of university departments and university performance?

METHODOLOGY

Sample and Data Collection

The data were collected using online web survey instrument. The survey link was sent to a total of 3072 department chairs of computer science, engineering, and health science departments, which represents the total number of such department chairs across the United States. The three departments were selected because they are perceived to be most applied, and as such the closest university representation to the private sector. The total number of department chairs is divided as follows: 1531 are from health science departments; 1113 are from engineering departments, and 428 are from computer science departments. A follow up phone call was conducted one week after the emails were sent. Two weeks after the initial e-mails, a second e-mail wave was sent to those who did not yet respond to the survey. The second e-mail wave was followed up with another set of phone calls a week later.

We received 688 responses, which represents a response rate of 22.4%. The breakdown of responses by discipline shows health science with 355 responses; engineering with 242 responses; and computer science with 91 responses. Each respondent was asked to put a pre-determined code before entering the survey for identification purposes.

Measures

Market orientation. Since we consider market orientation as an element of the organizational culture of the universities, we adopted the market orientation scale by Naver and Slater (1990). The modified measures were sent to 30 department chairs and administrators, in a university of northeast Indiana for pretesting. Taking the feedback from the pretest, we further modified some of the items eliminating two items from the instrument. The item about after-sales services was determined to be inappropriate, as there is no clear understanding about what constitutes the after-sales services in the university context. In addition, we deleted “sharing customer information” because our pre-test results show that it is really rare for the departments within the university to share students’ information to different departments. This is also compounded by the fact that students’ information is considered confidential. The final set of questions representing the marketing orientation within university culture is listed in Table 1.

Performance of University Departments. We borrowed the university performance measure from Todorovic’s (2004) study. The measures are well established and tested within Canadian universities.

Table 1. Construct Reliability

Construct	Item-to-Total Correlation	Cronbach's Alpha
Customer Orientation		.752
We closely monitor and assess our commitment to serving student’s needs.	.811	
Our strategies are driven by the goal of enhancing student learning experience.	.776	
Our competitive advantage is based on our understanding of students needs.	.770	
Our department objectives are driven solely by student interest.	.574	
We measure student satisfaction systematically and frequently.	.686	
Competitor Orientation		.652
Our department stays informed about the action of peer departments of other universities.	.695	
We respond rapidly to actions of competitive universities.	.785	
Our administration regularly discusses our strengths and weaknesses compared to other universities.	.726	
Students are our primary emphasis when we have, or can develop, an opportunity for competitive advantage.	.600	
Interfunctional Coordination		.714
Meeting with students is the highest priority of our faculty.	.770	
All of our departments are highly dedicated to serving the needs of students.	.827	
Our entire university contributes to student learning experience.	.705	
We share resources with other departments.	.635	
Performance		.791
We are recognized by industry and/or society for our flexibility and innovativeness.	.748	
Our department is highly regarded by industry.	.749	
Many of our faculty members conduct research in partnership with non-academic professionals.	.775	
We have spun-off a high number of ventures.	.623	
Our graduate students often secure high quality industry positions.	.714	
Faculty members in our department emphasize applied research.	.630	

Todorovic (2004) developed these items as he observed that patents and licensing are not appropriate performance measures in most university environments (Todorovic et al. 2005). Developed items, therefore, represent a more appropriate measurement of the constructs sought in this study, as the same incorporate multifaceted aspects of performance of different activities.

The Cronbach’s alpha coefficients of the three components of marketing orientation and performance are listed in Table 1.

RESULTS

Structure of Market Orientation for Universities

Considering that this study introduces MO scale into a different environment, exploratory factor analysis was undertaken to confirm that MO remains a three dimensional latent construct in this environment also (Narver and Slater 1990). Exploratory factor solution presented a significant surprise, as it strongly supported a TWO (rather than three) factor solution. Items measuring customer orientation and interfunctional coordination except one were highly loaded on the first factor. The three items for competitor orientation, however, loaded significantly on the second factor. One item from customer orientation loaded on the third factor, being the only item on that factor.

The results from the exploratory factor analysis suggest that the construct structure of market orientation within universities is different than in the private sector. Based on the results from the exploratory factor analysis, we posit that market orientation of university departments contains only two dimensions. Observing that students are the primary focus of university activities, we posit that effectiveness of the interfunctional coordination evidences itself in service to students rather than in achieving synergy among different departments. Consequently, we utilize the results of the exploratory factor analysis to examine the relationship between market orientation and performance. Using the naming convention suggested by Hair et al. (1998), we named the first factor as internal capacity and the second factor as competitor orientation. Table 2 shows the results of the exploratory factor analysis.

In order to assess the overall correlation matrix significance, Barlett's Test of Sphericity was employed. Although Barlett's Test of Sphericity tests the presence of non-zero correlations, it does not test the pattern for those correlations. For this purpose the Kaiser-Meyer-Olkin Measure of Sampling Adequacy was used. To ensure data is suitable, the measure of sampling adequacy (MSA) should be 0.50 or higher (Hair et al. 1998). The KMO of Sampling Adequacy is .868 which exceeds the threshold of 0.50. Chi-Square of Bartlett's Test of Sphericity is 3293 with 78 degree of freedom ($p < .001$).

The Relationship between Market Orientation and University Department Performance

Regression analysis was employed to examine the impact of the two derived factors on the university department performance. The results from the regression analysis are shown in Table 3. The model fit

the data well ($p < .01$). The coefficients for the two factors are significant ($\beta_{\text{capacity}} = .103$, $p = .009$; $\beta_{\text{competitor}} = .243$, $p < .001$) indicating that the two derived factors of market orientation contribute significantly to university departments' performance.

We also assess the relationship using structure equation modeling approach. The data was derived through EQS. The model we tested and the results are shown in Figure 1.

Table 2. Factor Analysis with Oblique Rotation

Items of Market Orientation	Factor		
	F1	F2	F3
Our strategies are driven by the goal of enhancing student learning experience.	.797		
Meeting with students is the highest priority of our faculty.	.770		
All of our departments are highly dedicated to serving the needs of students.	.744		
We closely monitor and assess our commitment to serving student's needs.	.731		
Students are our primary emphasis when we have, or can develop, an opportunity for competitive advantage.	.728		
Our entire university contributes to student learning experience.	.681		
Our competitive advantage is based on our understanding of students needs.	.670		
We measure student satisfaction systematically and frequently.	.606		
We share resources with other departments.	.435		
Our administration regularly discusses our strengths and weaknesses compared to other universities.		.865	
We respond rapidly to actions of competitive universities.		.792	
Our department stays informed about the action of peer departments of other universities.		.643	
Our department objectives are driven solely by student interest.			.916
Percentage variance explained	37.938	11.326	8.480

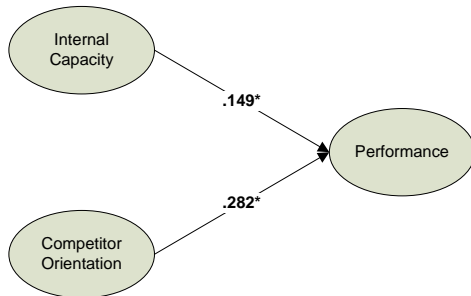
Table 3. Regression Analysis

Independent Variable	Coefficient	p-value
Internal capacity	.123	.009
Competitor Orientation	.257	<.001
F Statistics	33.038	
p-value	<.001	
R-square	0.088	

The results from the structural equation modeling approach show that the model fit the data well and the two dimensions of market orientation have a significant impact on university departments' performance.

DISCUSSION AND CONCLUSIONS

This study explored the relationship between market orientation and performance. To do so, we first investigate whether the market orientation of university Figure 1. Structural Equation Model



(Note: * $p < .0$. Model fit indices: NNFI=.884; CFI=.904; RMSEA=.074.)

department has the same structure as is found in private sector. Although MO is very well established in the private sector, our results (using exploratory factor analysis) do not show a three factor solution as was originally expected. More significantly, we observe that within the university environment the two core dimensions of market orientation (customer orientation and interfunctional coordination) merged into a single construct. This may be due to difficulty in determining who is the "customer" with the multi-purposed missions of the university. In addition, the dimensional characteristics of MO (and for that reason of other strategic orientations) may be industry specific. One can conclude that, aligned with the arguments presented by Todorovic (2004), strategic orientations may function or manifest themselves with different dimensional characteristics in not-for-profit or government sectors, and yet still remain useful, fulfilling their strategic purpose.

We renamed the two market orientation dimensions as internal capacity and competitor orientation, as we proceed to further examine the relationship between market orientation and university performance. First, we note that regression analysis support the existence of significant correlation between MO and the performance of the university.

These results suggest that universities might engage in different practices from the ones seen in the private sector. As universities focus on serving students, monitoring peer institutions also helps universities to improve their performance. This study, however, does not support the view that enhancing the coordination among different departments improves university performance. It is possible that universities simply do not sufficiently engage in such practices, and therefore the said practices are not picked up as significant

differentiating variables by this study. It is also possible that interfunctional coordination is not a significant factor for university performance.

This study also has managerial implications, especially for university administrators. The results can help university administrators understand how they can build their competitive advantage to compete in such extensive competitive environment. First, universities may need to better define who their customer is, and indeed, examine if that is only the student. Likewise, this study does not indicate that there is not a significant interdepartmental coordination (IC), but rather suggests that most of the interdepartmental coordination may be related to students. This in fact may be highlighting a potential weakness – universities may need to develop structures that allow more diverse IC within their institutions. Again, we have the promise of performance, evidenced by strong correlation between MO and university performance that these actions are more likely to result in greater university performance.

Implications of this study may also extend to other situations in the private sector, such as departmental units that have no clear indication of who their customer is. In such cases the customer may be another internal, rather than an external entity. In such situations, the theoretical implications of the two dimensions accumulating in a single factor may be significant.

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UNDERSTANDING STUDENTS' NEEDS FOR AND EXPECTATIONS OF ACADEMIC ADVISING SERVICES: THE CASE OF A COMPREHENSIVE, URBAN, COMMUTER UNIVERSITY

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ABSTRACT

This study explores college students' needs for and expectations of academic advising services in a comprehensive, urban, commuter university setting. The findings from two focus group interviews are reported and the implications for design and delivery of academic advising services are discussed from a service quality management perspective.

INTRODUCTION

Effective academic advising services can alleviate students' stress associated with course selection and registration processes and significantly contribute to a student's academic success and the institution's success. Studies showed that quality of academic advising services is a key determinant of students' GPA, satisfaction as a student, perceived value of a college education for future employment, intent to leave the university, and the public's perception of the institution (Abernathy and Engelland 2001; Bahr 2008; Metzner 1989; Thompson, Orr, Thompson, and Grover 2007). Hence, higher education institutions have long recognized the strategic importance of academic advising services for the institutions (Metzner 1989; Wilder 1982).

Moreover, the strategic importance of academic advising services to institutions has been increasing even higher, as the government, parents and accrediting bodies have increasingly demanded individual school's accountability for student outcomes for the last two decades. Alexander (2000) noted that government authorities are no longer as receptive to the traditional self-regulation processes and pressuring institutions to become more accountable, more efficient, and more productive in the use of publicly generated resources. More recently (on October 6, 2009), the Bill and Melinda Gates Foundation and the Lumina Foundation for Education announced that they were funding a project to create a national voluntary accountability system for community colleges designed to develop a common set of metrics and data points to evaluate their effectiveness in achieving their specific missions, both internally and against one another (Holtz 2009).

One way that accountability of an institution has been measured was by the percentage of students who graduate with a bachelor's degree in six years or less. These numbers are traditionally reasonably high for full-time students at residential four-year colleges and universities. However, regional commuter colleges and universities that serve a high proportion of first-generation, working and commuting students, have not typically fared well under such metrics, and they are in need of implementing changes to improve student retention and graduation rates. To this end, many regional commuter colleges and universities are pursuing to establish a highly responsive and consistent advising system to improve student success. For instance, the university where this study was conducted is implementing a software package, *DegreeWorks*, which allows students to track their progress toward a degree in a secure online environment, standardizing advisors' job descriptions and evaluation methods, and creating a university-wide drop-in advising center.

CHANGING NEEDS FOR AND EXPECTATIONS OF ACADEMIC ADVISING SERVICES

However, establishing a responsive and consistent advising system should begin with understanding students' needs for and expectations of academic advising services. The gaps model of service quality stipulates that providing high quality services requires understanding clients' needs for and expectations of the services, designing effective service processes and infrastructure to meet those needs, measuring the quality of delivered services against the expectations, and implementing actions to continuously close any identified gaps (Parasuraman, Zeithaml, and Berry

1985; Zeithaml, Berry, and Parasuraman 1988). This gaps model of service quality has been widely adopted in the assessment of higher education institutions (Abernathy and Engelland, 2001; Koch and Fisher, 1998; Reavill, 1997). Hence, SERVQUAL scale, which measures service quality by measuring the gap between customer expectations and the perceived quality of delivered services, has also been widely adopted and modified to measure quality of academic and career advising services (Abernathy and Engelland 2001; Engelland, Workman, and Singh 2000).

In that sense, understanding students' needs for and expectations of academic advising services accurately is the most imperative step in improving quality of academic advising services. Particularly, today's changing demographics of college students make it even more critical for higher education institutions to reassess the diverse and changing students' needs for and expectations of academic advising services regularly. Motivated by financial needs, many students transfer from one university to another, work part-time during the school year, live in their original family home, and travel long distances to study (McClaren 2004), making it important to help them keep their workloads and class schedules manageable in order for the students to achieve their academic successes (Hollis 2009).

In addition, the increase in the number of first-generation and adult students on campuses makes it imperative for higher education institutions to better serve these students' needs which often include remediation and developmental support (Giancola, Munz, and Trares 2008; Hollis 2009). Moreover, fast growth in the international student population has brought the concomitant adjustment issues for international students such as loneliness, homesickness, language difficulty, discrimination, financial problems, and confusion stemming from the dissimilarity in the educational system in their home country and in the United States to the profession of academic advising (Charles and Stewart 1991).

FOCUS GROUP INTERVIEWS

To understand current college students' needs for and expectations of academic advising services better, two focus group interviews with the students enrolled at a comprehensive, urban, commuter university located in the Midwest region were conducted. As a comprehensive, urban, commuter school, the university where the study was conducted has a student population that is representative of the "new" college student demographics described above. Many of the students at the university are transfer students, are first-generation college students, work thirty or more hours per week, and have families or other obligations.

Sample and Procedure

A total of 22 undergraduate students majoring business at an urban commuter university located in the Midwest region participated in two semi-structured focus group interviews. One focus group session was conducted in the evening of a weekday to field opinions of the non-traditional, working student population and the other session was conducted in the morning of a weekday to field opinions of the traditional full-time student population. Of the 22 students who participated, a half of the students identified themselves as transfer students, three students identified themselves as international students, and three students identified themselves as adult students.

In each focus group session, the participants discussed their overall satisfaction with the quality of advising services provided by the school, critical incidents or encounters with academic advisors that were particularly satisfying or dissatisfying, reasons to seek academic advising services, and the expectations they have when they meet with their advisors. The moderator of the focus group study introduced each topic in order, and allowed the participants to discuss each topic for 10 to 15 minutes. The participants' verbal comments and non-verbal responses were recorded on video tapes. The moderator also took notes of some key non-verbal responses during the sessions and transcribed participants' verbal comments later. Each session lasted approximately 80 minutes. Content analysis of the transcribed participants' comments revealed the following themes with regard to students' needs for and expectations of academic advising services.

Satisfaction with Academic Advising Services

The participants expressed a wide range of satisfaction with the current academic advising services, ranging from very happy to very dissatisfied or even angry with the services, regardless of to which specific advisor they were assigned to. This indicates that the variations in students' satisfaction with the academic advising services may be due to the different needs and expectations each student may have with regard to academic advising services rather than the variations in the quality of advising services provided by individual personnel.

Critical Incidents for Satisfaction

The participants indicated that the flexibility and availability for appointments is one of the main reasons for their satisfaction. The participants mentioned that their advisors' timely responses to their appointment

requests, being ready at the times of the appointments. The participants seem to be particularly happy with spontaneous email reminders to set up appointments sent by some advisors before registration periods. In addition, the participants also liked the print outs of “bingo sheets,” forms, or other information the advisors handed to them.

Critical Incidents for Dissatisfaction

The participants were most frustrated with the academic advisors’ lack of knowledge of upper level courses and the curriculum structures. For instance, a few transfer students complained that their advisors did not know the equivalency of the courses and have been told to register for a course only to find out that the course contents are exactly the same as what they have already taken at the previous schools. Other participants also indicated that the advisors don’t seem to have enough knowledge of upper level course and unable to help students choose business elective courses that fit their majors or career goals. Some also indicated that advisors gave them wrong advices because the advisors were not aware of the changes to course prerequisites or degree requirements. Further discussion revealed that the participants’ dissatisfaction with these issues is exacerbated by the students’ expectations that the advisors would have expert knowledge of the courses and the curriculum because the advisors are specialized in advising management students only.

The academic advisors’ unwillingness to help students emerged as another common theme. Several participants indicated that their advisors are simply unwilling to share some information with the students unless students specifically inquire about them. Many participants also indicated that their academic advisors were not willing to do extra research when they do not have immediate answers to students’ questions. In such cases, students expect the advisors to research the issue or ask another person to find the answers while students are there. However, the participants indicated that they were often told to research the issue on their own or go see another person, instead. Lack of walk-in counseling was also mentioned with regard to advisors’ unwillingness to help. Several participants were frustrated that they have been told to make an appointment and come back when they just walked in to address some simple issues (e.g., verifying prerequisites, overriding registration priority, and checking course equivalency), which students expect to take less than a minute to address, even if the advisors were not counseling another student at the moment. Working, adult students whose work schedules and family constraints make it difficult for them to come to campus on an additional day found this problem

especially troublesome. Finally, a couple of participants mentioned such cases where the advisor lost the student’s personal paperwork or where the student’s registration record was completely deleted from the computer system. Although such incidents are rarely experienced, inaccurate maintenance of students’ records seems to lead to highly emotional and extremely unsatisfactory experiences.

Reasons to Seek Academic Advising Services

The participants identified 1) class scheduling, 2) early registration, 3) course credit transfers, and 4) consultation for scholarship or internship opportunities as the main reasons why they seek academic advising services. However, the participants generally agreed that, beyond their freshmen year, they did not feel strong needs to meet with academic advisors regularly or frequently. Many participants believe that, once they were given their plans of study or the “bingo sheet,” it is their own responsibility to make sure they take all the required courses and find appropriate elective courses to complete their graduation requirements.

Expectations of Academic Advising

The majority of the participants acknowledged their own responsibilities in the academic advising process and indicated that they do not expect the advisors to do everything for them. However, for a few areas where they expect their academic advisors to help them, the participants indicated that their expectations are quite high because of the university’s brand name, relatively small size of the student body academic advisors serve, and the advisors’ specialization in the management curriculum.

For example, the participants indicated that they expect the academic advisors to know about the courses beyond what is described in the course descriptions in the catalogue such as required assignments, overall work load, and the relevance of the course to particular degree programs offered by the School. In addition, while majority of the participants disagreed, some participants expect the advisors to be able to advise students on personality or strictness of the faculty members who teach courses. The participants also expect the academic advisors to be able to provide more comprehensive advices on students’ plans of study by integrating scholarships, study abroad opportunities, and career and internship opportunities, in addition to course information. In addition, the participants expect advisors’ undivided attention to their problems at least during their 15 minute appointments, and do not expect to be left unattended or because the advisors were counseling another students over the phone. Lastly, the

participants expect the advisors to put more effort in finding solutions for students' problem before they send students to do their own research or to talk to someone else. A few participants indicated that, as independent adults, students seek help from academic advisors only when they could not find the necessary information or figure out solutions after their own research, and thus, they expect truly meaningful help from the advisors when they see their advisors.

IMPLICATIONS FOR ACADEMIC ADVISING SERVICE QUALITY MANAGEMENT

Based on the findings from the two focus group interviews, some interesting implications stand out. First, students' quality perceptions of academic advising services appear to be driven by their expectations and these expectations appeared to vary widely among the participants. One simple fix for this would be to clearly communicate what students can expect from advisors and what advisors can expect from students into the freshman orientation class and advisors' job descriptions. This communication of clear and realistic expectations of academic advising services can be reinforced through the School's advising website, signs posted in the advising reception area, and perhaps materials handed out at each advising session.

Another clear implication from this data is the need for each student to walk away from each advising session with something in hand. This something could be their "bingo" sheet, a print-out of the requirements for different minors, the phone number for the tutoring center, or any other tangibles. As academic advising service relies on advisors' knowledge and expertise that are intangible and difficult to verify, effective use of tangibles can enhance students' perceptions of the services quality (Bitner 1993). In addition, advisors' actions such as personally looking up additional information and printing out the necessary forms for students can be seen as unprompted, spontaneous effort to help the students and positively influence students' perception of quality of the advising services as spontaneity is one of the critical incidents that positively affect customers' service perceptions (Bitner, Booms, and Tetreault 1990). At one point, in service as an advisor, one of the authors not only provided copies of "bingo" sheets, but highlighted the bingo sheets with multiple colors to show which classes to take in which of the remaining semesters. This simple act provided significant guidance and reassurance to students.

Another critical implication that there are clear needs for customer service training for advisors and clear, straightforward measures to assess customer service quality. Like many consumers, students grow

accustomed to conducting many of their service transactions (e.g., registration and bill paying) and they will naturally expect their advisors to provide service beyond that which they can do themselves. Students made clear their expectations that advisors put more effort into finding solutions to problems rather than just pointing students to places where they might find solutions. Some advisors may feel that they are teaching students to be independent and self-reliant, but this appears to fall flat in an era where students are providing much of the "service" themselves. The expectations advisors have of their own positions may not yet have caught up with the changes in student expectations. An updated and explicit job description and evaluation system will significantly help with this.

In addition, one of the findings suggests the need for integration of academic and career advising services provided to students. This implication is not only in line with the heightened emphasis on the importance of active learning such as experiential learning and service learning programs in higher education, but also in line with the developmental view of advising services which emphasizes advising students in the context of their whole life settings, including the college and work experience (Raushi 1993).

Finally, providing more flexible schedule and diverse channels to deliver advising services must be considered. For example, a comprehensive academic advising website where advisors can post answers to most frequently asked questions by students and students can download their own bingo sheets can significantly improve the experience with academic advising services by working adult students who can't make additional trips to campus for advising appointments. In addition, scheduling a few walk-in counseling hours throughout a week at different times of the day would enable students and advisors to address simple questions quickly without waiting for an appointment.

CONCLUSION

Using a comprehensive, regional, commuter universities, this exploratory study has uncovered a number of issues in academic advising services and identified some opportunities for improvement. The findings of this study would provide a useful guideline for continued improvement in academic advising services quality.

However, since this study was conducted within a commuter college, it is unclear whether the identified need for and expectations of academic advising services are comparable to those of the students at traditional universities. Therefore, conducting another focus group study at a traditional university would be

helpful to see whether the need for and expectations of academic advising services of commuter college students are comparable to those of traditional college students.

In the same vein, future research should seek to identify if the issues identified in this study are unique to students majoring business or are common to students majoring other disciplines.

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FANS, FRIENDS, AND FOLLOWERS: SOCIAL MEDIA IN THE RETAILERS' MARKETING MIX

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ABSTRACT

The purpose of this paper is to examine the use of social media marketing (SMM) by retailers, and to propose research to examine adoption of SMM by top-rated retailers. The growth of social media networks and consumer usage are discussed, from the retailer perspective. A summary of recent applications of SMM by retailers is reviewed, and research propositions are presented.

INTRODUCTION

Nielsen reported that global online video has grown 339% since 2003 and time spent viewing has increased almost 2000% (2009c). In addition to the growth in the use of video, the number of online social media users has grown 87% since 2003, and the time spent on these sites has increased 883%. In the last year alone, (2008) time spent on social networking sites increased 73%. A large percentage (85%) of social media networking users want companies to interact with them using social media applications (Nail 2009). A 2006 comScore Media Metrix report (Trusov et al. 2009) indicated every second, online users in the US had visited at least one of the top fifteen social networking sites, and that approximately fifty social networking sites each had more than one million registered users. In 2007 Oser and Adepiju (2007) reported that 37 percent of the US adult internet population and 70 percent of teens used online social networking at least once per month. Predictions show that the total US social networking audience will grow to 105 million in 2011. According to Nielsen Online research, (2009f), use of social networks and blogs is now the fourth most popular online category. Alex Burmaster, of Nielsen Online, stated "social networking is not just growing rapidly, it's evolving in terms of a broader audience, and compelling in functionality." One-third of Internet users report comments by consumers provided on the social media sites have been influential when they make a purchase decision, (Deatsch 2009a), but just 11% considered advertising to be as effective. During the past year, almost half of Americans had consulted social media while shopping, and more than one-third, (37%), had done so in the past three months.

Based upon the usage rate and statistics, there is no question that retailers are quickly incorporating

the use of social networking sites into their marketing communication strategy. Many have recognized that social networking is about linking people with common interests. Companies such as American Eagle, Gap, Ice.com, Victoria's Secret, Macy's and Nike have experimented and/or incorporated the use of social networking, (Reda 2008). The challenge for companies is learning how to use social networks to the greatest benefit. For example, Victoria's Secret hosted a contest inviting customers to submit videos of themselves dancing to Fergie's "Here I Come" and asked viewers to vote for their favorite. The winner received a \$500 shopping spree.

Results of research conducted by a team of Fellows of the Society for New Communication Research (Barnes et al. 2008) found evidence to support the significance of social networking to current promotional mix decisions. Consumers 25-55 years old, college-educated, and earning \$100,000 or more are among the most savvy and sought after consumers. The same group is using social media to research companies when making purchase decisions. As companies become more and more involved in developing social media and participating in the most popular social networks, they must also attempt to recognize those variables that have a causal relationship between customer attitudes about the information and their willingness to become or remain a loyal customer. Because of this significance, retailers utilizing the social media platform must also be aware of the dynamics of this environment. This includes not only the benefits of participating, but also pitfalls and vulnerabilities of the online environment. Regardless of the benefits social networking sites such as YouTube offer to the new marketplace, companies must also remember these platforms are open communities where users send in their thoughts and comments about product, service, or brand experiences (positive or negative).

While the economy has changed the way consumers shop, and how they spend, what has not changed is that consumers trust the opinions of friends and family, as well as people they do not know, usually more than anything the retailer has to say about the company or their products. The challenge for retailers is to identify how this digital word of mouth influences, as well as who the influencers are. Galeotti and Goyal (2009) purport that companies who use social media networking see higher sales and greater profits. Furthermore, Harridge-March & Quinton (2009) suggest that not only does social media networking allow for communications between consumers, but also allow retailers to develop a relationship with their customers, and therefore reduce churn.—According to Mark Brohan (2009a), while the economic downturn showed that online retailers were not immune to slumping sales, online sales grew by only a single digit rate last year. However, consumers remain loyal to online shopping, and as such, social media marketing provides an opportunity for retailers to develop a communication mix that is less costly, and reach consumers via a channel they want.

The current economy poses many challenges for marketers and retailers. A Yankelovich Partners study (2005) found almost sixty percent of US customers find marketing to be irrelevant for them personally, and seventy percent are interested in products and services that would help block marketing attempts. Somewhat ironically, the same study also found that customers respond more favorably to marketing when they have control. Consumers are happier being a part of community, rather than the target of a marketing campaign (Cocheo 2009). As defined by Boyd (2007) social network sites are web-based services that allow individuals to “ 1) construct a public or semi-public profile within a bounded system, 2) articulate a list of other users with whom they share a connection, and 3) view and traverse their list of connections and those made by others within the system.” Consumers are more like to buy something that is recommended to them, rather than when it is “marketed” to them; this is even more likely when the recommendation comes from someone that they trust.

CURRENT USE OF SOCIAL MEDIA IN THE RETAIL MARKETING COMMUNICATION STRATEGY

Internet Retailer’s 2009 Top 500 Guide (2009a) devoted an introduction to this year’s report on the prevalence of online retailers participation and use of social media networks. Approximately three-fourths of the Top 500 retailers had a presence on at least one

social network by early April 2009. Facebook was the most popular, 57% participating; 41% having posted a video or commercial on YouTube; 29% were on MySpace, while 20% were linked to followers in Twitter. Finally, 10% were on the social shopping site, Kaboodle.

Facebook

Facebook has been termed the world’s most popular social network and the social gorilla (Schonfeld 2008). Owyang (2008) reported that more than 120 million active users made Facebook the fourth most-trafficked website in the world. It is visited by 3 in 10 people monthly (2009f) and has more than 75 million members in more than 80 countries (Leader-Chivé et al. 2008). Furthermore, Zuk (Trusov et al. 2009) reports Facebook has 150 million active accounts, with nearly 600,000 new accounts opened daily. Facebook (2009) had 175 million active users (as retrieved April 6, 2009) with the fastest growing demographic segment those 35 years and older. Worldwide more than 3 billion minutes are spent on Facebook each day. Facebook also reports that there are more than 28 million pieces of content (web links, news stories, blog posts, notes, photos, etc) shared each month. With this level of activity, it is no surprise that a recent study of social media (2009d) found that up to 59% (59 of leading 100) of retailers are now using Facebook through the use of fan pages. These retailers have recognized the need to focus on what customers are looking for on a site, what the company wants to communicate, and the role the fan page can play in communicating their message. The actual number of retailers on Facebook doubled in only five months (Wagner, 2009). The 2009 *Internet Retailer’s* Top 500 Guide shows that 56.8% of all retailers, or 284 companies, have a presence on the social networking site Facebook.com, including 70 of the top 100 (2009b). Other than simply having a presence, many of these retailers have more than one page on Facebook. For example, Dell Inc. has more than 20 pages on Facebook (Wagner, 2009).

Kaboodle

Kaboodle was launched in 2005 when Manish Chandra and his wife grew frustrated trying to buy home improvement products (2009). Because they believed shopping is a social process, the social shopping site Kaboodle was developed, where consumers can find, recommend and share products, sources for products, and other relative shopping experiences. As of fall 2009, Kaboodle has over 14 million monthly visitors, and 900,000 registered

users, who had added 10 million products to the site. In mid-year 2006, Kaboodle simplified the process of adding products to the website by creating a “Add to Kaboodle Wish List button for retailers to add to their respective web sites. Kaboodle launched a holiday portal in 2008, Holiday Kit ‘n Kaboodle (O’Grady 2008). On Cyber Monday, site traffic to Kaboodle showed an 177% increase in visitors over 2007, and a 200% increase in November 2008 traffic over November 2007. A December 2008 Wish-A-Day Giveaway included prizes provided by JC Penney and New York and company, among others. During the 2008 holiday season, Kaboodle boasted more than 260,000 vendors, and was considered one of the top 25 Networking media companies.

MySpace

MySpace is a regular destination of approximately 55% of teens (Maughan 2007) and links 100 million users in more than 20 countries (Leader-Chivée et al. 2008). As more young people choose online communication and social media, they want to share via text messaging, e-mail, and now social networks like MySpace, the things that are important to them and their friends. According to Jeff Berman, (Newman 2008) president of sales and marketing for MySpace, TJ Maxx and Target have reached consumers effectively, based on an expressed interest in fashion or a specific genre of music. These applications provided increases of up to 300% when compared to standard demographic targeting. Another example of company response to effectiveness of social media is Wet Seal’s addition of a community when it noticed 15% of its traffic was coming directly from MySpace (Deatsch 2009a).

While MySpace has been the largest social networking site with regard to ad spending, things have changed drastically in the past few months (Williamson 2009). From October 2008 to March 2009, traffic fell 8%, to 70.1 million people, while Facebook’s unique visitor numbers grew 33%. Current indicators suggest Facebook is poised to replace MySpace, however, demographic differences may be substantial enough on MySpace for more targeted strategies to remain effective for some retailers.

Twitter

Twitter attracted 14 million unique visitors in March, 2009, compared to only 1.1 million a year earlier (Deatsch 2009b). This social medium has exploded so quickly that online retailers have just begun to consider how this medium could be used effectively to communicate with millions of potential

customers. The key to making Twitter effective for a retailer is to get users to sign up and “follow” the retailer. Thus, updates on popular products, special sales or discount offers might turn low volume Twitter traffic into a high-value communication channel. For example, Delight.com reports a conversion rate 15% higher than average, and order size that is 20% above average. This site had 100,000 unique monthly visitors generating about \$1 million in sales during 2008. Indigo Books and Music, the largest book retailer in Canada, opened a Twitter account when it launched its electronic books and publication entity, Shortcovers (Williamson 2009). The Twitter account has attracted 1000 followers in less than three months.

Dell began using Twitter in March of 2007, and now has more than 11,000 followers. While most social network participation is about brand-building, Dell has effectively used Twitter to generate sales and revenue (Williamson 2009). By using Twitter-only promotions, Dell reports more than \$1 million in sales over the past two years from the network (Wagner 2009). While the original intent was not to generate immediate sales, this social network has proven to be a financial boost, as well as providing Dell the opportunity to be part of consumer conversations. Dell’s strategy has been to be upfront about the purpose of the Twitter account. It is important to get consumers’ interest before hitting them with marketing messages. Thus, it is important to follow what is being said about the company. On Twitter, they can offer consumers advice and generate good will, along with generating publicity.

YouTube

Reda (Reda 2008) found YouTube participants to be engaged, capable of influencing purchases of others, and seeking online opportunities that offer rich entertaining experiences. Users of the social networking sites actually control and determine what is the most popular. Jones (Jones 2009) found YouTube to have about 258 million users logging in weekly. According to the YouTube site, the average user base is broad in age range, 18-55, evenly divided between males and females, and spanning all geographies. Fifty-one percent of users go to YouTube weekly or more often, and 52 percent of 18-34 year-olds share videos often with friends and colleagues. With such a large and diverse user base, YouTube offers something for everyone (YouTube 2009). *Internet Retailer* reports 41% of top e-retailers have placed a video on YouTube or are mentioned in a video posted by users (2009b). According to Sonia (2007), the most used social

networking tool (65%) is online video through social media sites such as YouTube.

WHERE DO WE GO FROM HERE?

While social media marketing appears to be the overwhelming accepted word of mouth medium for consumers, just how are retailers using social media? As discussed in the previous examples, retailers have successfully implemented Social Media Marketing Communication strategies. However, a systematic review and analysis of what is specifically being implemented has yet to be done. This paper proposes a means of beginning such an analysis. Given the current state of the US economy, retailers are particularly concerned about the success of the 2009 holiday sales season. This leads the researchers to the first research proposition: 1. Retailers will increase their use of social media for holiday season promotions. Based upon the previous discussion about retailers employing social media in the marketing communication mix as presented in *Internet Retailer* publications, two propositions are developed: 2. Retailers rated higher by accepted publications such as *Internet Retailer* and *Stores* will be more likely to use SMM promotion, and 3. Retailers rated higher by accepted publications will be more likely to use multiple SMM networks. Finally, given the variations in consumer demographics presented in the earlier discussion, and the differences in the appropriate applications of online communication based upon the type of merchandise, the researchers present Proposition 4: The social media marketing network employed by

retailers will differ based upon the merchandise category sold by the retailer.

Proposed Research Design

The researchers propose the following research design to answer the research propositions. Identify top retailers that are currently employing one or more of the major social media marketing sites. Determine the number of "subscribers" to each of the individual retailers' social media channels, and then track the number of consumer "subscribers" weekly through the holiday retail season. In addition, to determine how retailers employ social media marketing during the holiday season, the number of promotions/messages posted to the individual social media channels should be tracked. Further analysis of the type of message/promotion posted should be analyzed to determine the channel consumers were directed/driven toward.

SUMMARY

Successful retailers will continue to employ social media marketing, and consumers are expected to be responsive. This paper attempts to establish a framework to begin evaluating how and what social media is employed by these retailers through the financially important holiday season. It is expected that the results of such a study could be applied to future promotional programs, and to refine effective market segmentation and target marketing tactics.

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THE GAME HAS CHANGED: THE FIRST LONGITUDINAL STUDY OF SOCIAL MEDIA ADOPTION IN COLLEGE ADMISSIONS OFFICES

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ABSTRACT

This study examines familiarity, usage, and attitudes towards social media based on two years of survey research with a statistically valid sample of approximately 1,000 four-year accredited US colleges and universities in all 50 states. To date it is the only longitudinal study done of US colleges and universities and their use of social media.

INTRODUCTION

Today's young adults are plugged into music players, cell phones, the internet, and instant messenger, perhaps all on the same device. This world of interactivity and hyper-communication has fundamentally changed how teenagers and young adults receive and process information. Universities must now compete with 1 billion text messages sent per day, 1 billion facebook chat messages sent daily and more than 2 million emails sent every second. These communication tools, along with the many other sources of instant gratification and immediate feedback are better at catching the attention of a young person than any commercial or advertisement (Mashable).

For the approximately 2,000 four-year accredited colleges and universities in the US, the name of the game is recruiting the best students. It is a highly competitive process often influenced by factors that are more subjective than objective and more emotional than logical. In this challenging environment, social media (in the form of blogs, podcasts, message boards, social networking, videos and wikis) offers important new marketing tool.

"Social Media Marketing isn't just about communicating a brand's value; it's about constantly confirming its value through relevant communications and interactions." (Josh Weil-Gerson Lehrman Group)

"We've used Facebook and Twitter and MySpace and LinkedIn and Second Life, blogs, podcasts, wikis, you name it. And some people would say, "Well, why are you doing all that?" And the answer is, we're trying to meet the members where they are. So instead of making

them come to us, which is the old association model, now we can go to them." (How to Leverage Social Networking)

Social networks refer to collections of individuals linked together by a set of relations (Downes 2005). The idea of these networks existing online was not commonplace until recently. Today, online social networks serve a parallel purpose through web sites intended to help users meet new people or stay connected with friends and associates. Online social networks are also called "virtual communities" or "profile sites," and the relationship-building capacity of these sites results in more than simplistic social consequences, particularly when it comes to higher education. Network participants are exposed to groups focused on the advantages and/or disadvantages of specific colleges, clubs, and professors. Institutions of higher education are rapidly realizing that reputation, campus culture, and even enrollment figures may be affected by online social networking.

This new found growth and success of social media was brought on by the advanced technology that exists today. Technology, however, is only as good as its users. Rudolf R. Sinkovics, Parissa Haghirian and Shasha Yu (2009) point out in their article, that today's consumers are not only technologically sophisticated, but they are learning differently because of technology. Colleges and universities are beginning to incorporate new technologies into their classroom curriculum, realizing that the way that students are absorbing and finding information is strongly impacted by the internet as well as social media.

The challenge for marketers is to find a way to utilize this technology to create more demand for their products. So how do you get consumers, and especially young people, to understand what it is that

you have to offer? Young consumers can find everything that they want to know about a brand, product or service in a matter of minutes. The question is: Who is supplying this information to them? Many businesses and organizations around the world are beginning to realize that if they do not begin to communicate with their audience about their own brand, other competitors will. No one wants to reach this core demographic of young consumers more than colleges and universities. The higher education sector is finding that if students are learning differently when they arrive on campus, it is possible that they are learning about their college choices in the very same way, long before they ever graduate from high school.

Colleges and universities have never been in as competitive of an environment as they are today. There are not just state schools and Ivy leagues. Students have more options than ever before, and with the economic climate of today, there are more students applying to schools and considering these options. This newfound competition has caused colleges and universities to realize that they need to focus on their brand. In his article "External Perceptions of Successful University Brands," Chris Chapleo discusses how many schools are considered distinct, however they are not seen as having fully formed brands. Chapleo found that brands may be communicated clearly to key stakeholders, but not necessarily all audiences. When you are competing with schools across the country and across the globe, a consistently strong brand is essential.

For schools that are competing for the attention of students around the world, social media can level the playing field. No longer do small schools have an advantage over larger schools because they can provide personal attention. No longer do larger schools have more monetary resources to do student outreach. All schools, whether they are public or private, large or small, down the street or across the world can use social media to reach prospective students and all students will be listening. A study by the University of Minnesota found that there was no difference in technological proficiency by income level of students. Low income students were just as likely to use and understand the ins and outs of social networking. If all prospective students, regardless of what income level are able to be reached by social media, then no school is limited because only some of their audience will be within reach (Wandel).

What types of social media are these students familiar with and how familiar are they? In her study, Tamara L Wandel (2008) discusses how a growing number of 16-25 year olds are using social networking sites as one of their first online destinations. She also points out "that the clear majority of the 90 million active users of Facebook (and of other online social

networking sites) are of traditional college age." Along the same lines, Kandace Harris (2008) discusses how Facebook and Myspace have become the principal means of communication for many students. These sites are visited and navigated for hours a day. She affirms that if schools are trying to find students, this is where they need to look.

It is a clever form of marketing for schools to utilize these social networking sites, because this is the venue that many students feel more comfortable in. This type of communication is the most effective for them to acquire the information that they need and have the type of conversation that they would like to have. Adding social networking to a higher education institution will strongly affect the brand. Utilizing this technology allows schools to participate in the conversation instead of just allowing others to speak on their behalf. Students can ask questions and receive answers quickly, as well as hear from many different perspectives. Not only can other students on campus update prospective students on their daily adventures, but so can faculty and administration. This helps give a unique point of view that would otherwise be unattainable, and creates the bond that every marketer wants, a relationship.

In his article, Brian A Vander Schee (2008) discusses why it is so important for colleges and universities to focus on creating those relationships. It is just as important in higher education as it is in business, if not more so. Vander Schee explains how an admissions counselor or school ambassador can work with a prospective student to create a level of comfort and increase the students desire to attend that university. Social media allows schools to do all of that, by creating that atmosphere and providing that accessibility for prospective students even when they cannot visit the actual campus.

This study suggests that colleges and universities are beginning to see that they cannot ignore the conversation going on around them. If they want to have a fully developed brand, and create those relationships, they must begin to embrace social media. The internet and the generation of young people who specialize in all that it offers is not going away any time soon. It is essential that colleges and universities take advantage of all of the benefits of social media. If they do not, it is obvious that the rest of their competition will be not only differentiating themselves through its use, but also fully forming their brands. With more competition than ever, social media could be the key to distinguishing the brands of higher education. Surprisingly, maybe the article **How to Leverage Social Networking** for the Journal of Accountancy put it best:

“You have to be flexible. It's constantly changing, and there are new things coming all the time. Pay attention, have conversations, watch what's going on.”

METHODOLOGY

In the spring of 2007 and again in 2008 a large Northeastern university conducted telephone surveys with a total of approximately 1,000 US colleges and universities in the US. (453 Admissions Officers were interviewed in 2007, 536 in 2008) Each year, all calls were made using a systematic random sample from the University of Texas directory of four-year, accredited institutions. The directory lists approximately 2000 schools that fit that description. Each school was called back at least three times before moving on to the next institution on the list and then resuming the sampling interval. (An additional 2,000 schools listed, but not included are two-year schools, specialty schools, and those not accredited by their state, some religious schools etc.). The survey instrument included quantitative questions on adoption and use as well as interval scales to measure familiarity and intention to adopt in the future. (For a white paper on the 2007 results study see Barnes and Mattson, 2007)

The responding institutions are diverse in student size (from under 50 students to over 50,000), annual tuition (from less than \$1,000 to over \$40,000), funding (69% private, 31% public) and location (all 50 states are represented). The sample includes well-known private schools like Duke, Carnegie Mellon, Vassar and Wesleyan as well as many large state universities like the University of Arizona, University of Pennsylvania, University of Wisconsin and University of Massachusetts. Statistical tests were performed on the data and results are reported. The 2007 data is valid at +/-4% with a 95% confidence level and the 2008 data is valid at +/-3.6% with a 95% confidence interval.

Given that higher education has a culture that is simultaneously incredibly innovative and slow to change, it is important to ask how colleges and universities are responding to the new wave of social media. The research was structured to answer the following questions:

- Are colleges and universities familiar with social media?

- Are colleges and universities using social media? If so, how effectively?
- How does the adoption of social media in higher education compare with that of other groups?
- Do colleges and universities consider social media important?
- Do colleges and universities use search engines and/or social networking to recruit and research prospective students?

This paper compares the 2007 data with the 2008 data to offer the first results of a longitudinal social media study on college admission social media use.

FINDINGS

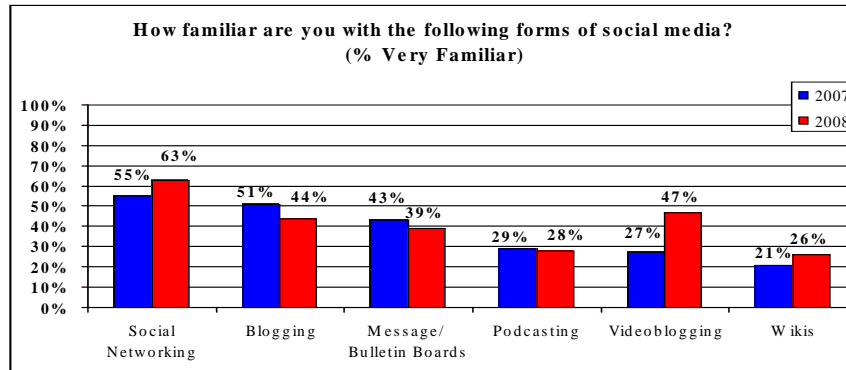
1) Are colleges and universities familiar with social media?

To begin, respondents were asked to rank their familiarity with blogging, podcasting, social networking, message boards and wikis from “very familiar” to “very unfamiliar.” The social media that was most familiar to college admissions departments both in 2007 and 2008 is social networking with 55% of respondents claiming to be “very familiar with it” in the first study and 63% in 2008.

In fact, as the graph below shows, a significant percentage of admissions departments are very familiar with all of the technologies. Even the least familiar technology to admissions officers (wikis), is very familiar to 26% of those surveyed. Familiarity is up over the past year for social networking, video blogging and wikis. It is slightly down for blogging, message boards and podcasting, though the numbers are still impressive while 44% of respondents are very familiar with blogging and 39% with message boards. The familiarity with podcasting is virtually the same as 2007.

This level of familiarity with social media tools is high and translates into usage. It would appear that college admissions officers are moving in the direction of becoming familiar with new tools of communication at a rapid rate. (See Figure 1)

Figure 1: Familiarity with Forms of Social Media



2) Are colleges and universities using social media?

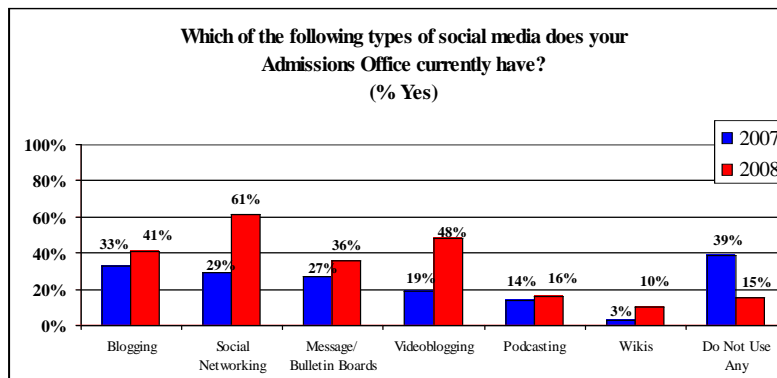
From familiarity the survey moved into examining actual usage of social media by admissions offices. Sixty-one percent of the respondents in 2007 reported they use at least one form of social media. One year later, 85% of college admissions offices are using at least one form of social media. Usage is up for every tool studied.

reported using chat rooms, instant messaging and email to reach prospective students or alumni.) (See Figure 2)

The use of social networking sites and video blogging has increased dramatically. This demonstrates increased sophistication with the use of sites like MySpace, Facebook and YouTube. At the same time, video is being used to deliver virtual tours of campuses, virtual visits to the dorms and sample lectures from the faculty.

More private schools have blogs than public schools (72% vs. 28%) and 50% of schools with

Figure 2: Types of Social Media Used



Social networking is the most common form with 61% of admissions departments using it. Forty-eight percent are using videoblogging and 41% have a blog. Almost all of those using a blog are using other forms of social media as well.

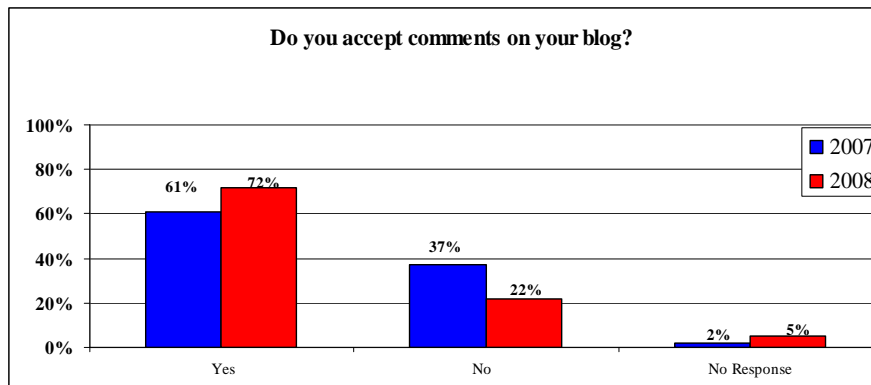
Thirty-six percent use message boards, 16% use podcasts and 10% use wikis. Many respondents report faculty often set up wikis for research projects and sometimes students do for group projects, but it was not one of the tools that admissions departments commonly used. (In addition to these tools, schools

undergraduate populations of less than 2,000 have blogs. Eight percent of schools with blogs are using some internally developed applications (down 3% from 2007). Others cite Blogger and WordPress as platforms. It is not uncommon for the admissions professional to be unfamiliar with the applications being used to host a blog. At most schools, the IT department sets up the blog and the admissions office manages it. When asked who manages their blog, the most popular answers were the admissions office, marketing and public relations.

3) Are colleges and universities using social media effectively?

At first glance, college admissions' usage of social media appears to be a case study in the timely adoption of new technology. A closer look shows some improvement is necessary to maximize the effectiveness of these tools. Comparing the 2007 and 2008 data, it becomes clear that there has been significant improvement as we look at the implementation of the most popular tool, blogging.

Figure 3: Comments Accepted



The survey asked about blog logistics like accepting comments, promoting the blog and planning for the future of the blog. The answers to these and other questions from schools with blogs are interesting as it becomes clear they are learning about and using social media more effectively one year later.

The mantra of the blogosphere is “conversation.” Blogs that are unattended lose their audience. In the 2007 study 37% of those schools with blogs did not accept comments. By any measure, this is a problem if the goal is to connect with prospective students through ongoing conversation with the school. In 2008 that figure dropped to 22%.

For students and their parents looking to have a conversation online about particular aspects of university life, this increased interaction through comments can be significant. With more and more schools moving into multiple channels of social media, schools that don't allow for conversation will quickly be passed by. Schools are clearly learning to use social media more effectively. (See Figure 3)

Another blog characteristic that allows ease of conversation and increases participation is the use of “RSS” feeds and other notification methods like email or text message. This simplifies the blogosphere for readers who may want to keep up with a certain conversation or be informed of new information

without having to check the blog of interest every day to see if there is something new.

In the 2007 study, 46% of schools had an RSS feed available and 31% allowed email subscriptions. In 2008 those numbers rose to 49% and 48% respectively. If students cannot easily connect and reconnect with a blog conversation, it is unlikely they will return. It is likely that some students are now choosing schools because of the relationships developed through the blog. Every school should make it easy for students to be informed of new information appearing on their blog. It is quickly becoming a necessary feature.

4) Do colleges and universities consider social media important?

The adoption of social media by admissions departments is being driven by familiarity and their recognition of the increasingly important role of social media in today's world. Interestingly, admissions departments feel that social media is “very important” to their future strategy even more so than the Inc. 500 businesses (55% compared to 44%). Even more powerfully, it is worth noting that 89% of admissions departments feel that social media is at least “somewhat important” to their future strategy.

(See Figure 4)

Table 1: Perceived Importance of Social Media with Use of Social Media

		Use of Social Media
Perceived Importance of Social Media for Marketing Strategy	Spearman's rho Sig. (2 tail) N	.279 .000* 453

*Significant at the .000

Figure 4: Importance of Social Media



5) Do colleges and universities use search engines and/or social networking to recruit and research prospective students?

A significant proportion of schools continue to research students via search engines (23%) and social networks (17%). While these numbers are slightly lower than those of the 2007 study, they are within the margin of error and cannot be considered significantly different. Certainly the traditional factors will still play a dominant role in admissions decisions however no longer can students place damaging material online without potential consequences.

The admissions officers interviewed for this study reported using search engines and social networking sites to verify information or research students who were candidates for scholarships or entry into high-demand programs with limited spaces.

In these cases the intent was to protect the school from potential embarrassment. No school wants to announce the winner of a prestigious scholarship only to have compromising pictures be discovered on the Internet the next day.

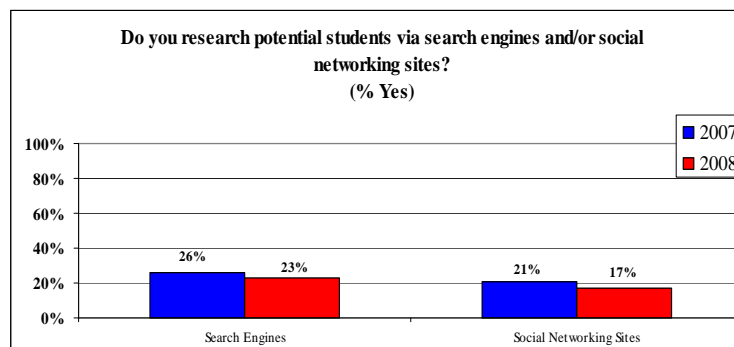
There were no reports of checking every applicant to an institution, no matter how small the school. Online research appears to be more of a precaution at this point or a source of additional information for critical decision making.

The search engines used most often are Google and Yahoo while the social networking sites include Facebook and MySpace. The value of these social networking sites for college admissions offices cannot be underestimated. As more and more young people spend increased amounts of time on these online networks, it will continue to provide more information about the type of person each student is. (See Figure 5)

5) Are they listening?

It is clear that admissions offices are now communicating in new ways. The next question is: Are they listening to what's being said about their school online?

Figure 5: Researching Potential Students

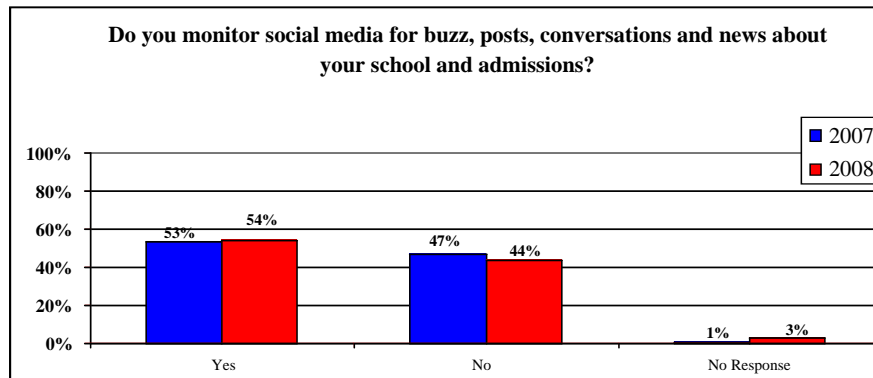


Fifty-three percent in 2007 and 54% in 2008 report they monitor the Internet for buzz, posts, conversations and news about their institution. Given the ease with which monitoring can be done, it is still somewhat surprising that just slightly over half of the institutions studied are doing it. (See Figure 6)

The institutions monitoring social media reported doing so manually. Most were simply running a Google search using the name of their school.

When asked what the future plans are for the school's blog in 2007, the most popular answer was that there are NO future plans for the blog. This was disconcerting considering the swift movement and evolution of blog technology. In the 2008 study the most popular response was to expand the blog. Since then, many schools now include audio podcasts, video and live chats as part of their blog.

Figure 6: Monitoring Your School Through Social Media

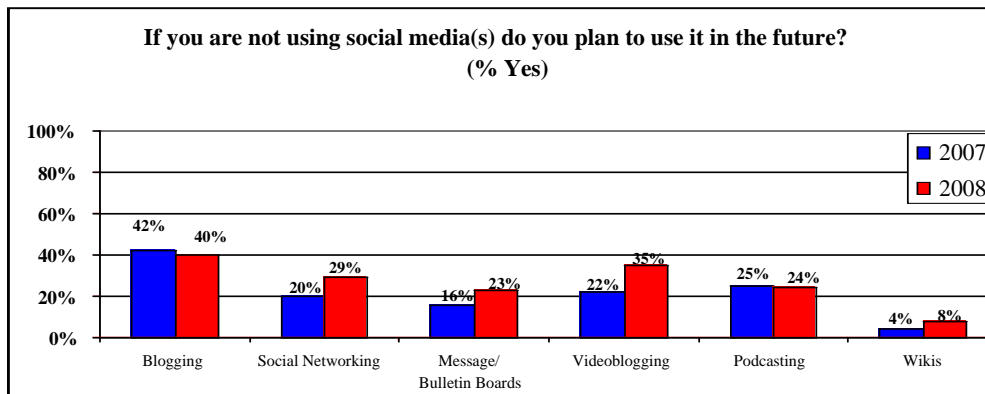


Those schools that monitor online activity as it relates to them tend to be schools with higher tuitions, private rather than public. They tend to be users of all forms of social media including blogs, podcasting and video. These schools are also more likely to research students online via social networking sites. Perceived importance of social media to the school does translate into monitoring behavior. Those schools with a culture where online communications are respected as having value are more likely to fully embrace that activity. They are gathering critical strategic information by listening to what is being said about their institutions and their competitors in the social media world.

When asked if they felt their blogs were successful, 81% of schools with blogs said yes. This percentage was consistent across both studies. This finding is also consistent with studies in business that have consistently shown those using social media are satisfied with it and feel it provides positive results.

Those schools not currently using social media, or a particular tool, were asked if they planned to in the future. Forty-two percent planned to add a blog in 2007 and 40% said they planned to in 2008, making blogs the most popular tool now and for the foreseeable future. Podcasting and video will probably be added quickly as part of the blog growth. (See Figure 7)

Figure 7: Future Social Media Use



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CUSTOMER SATISFACTION WITH COLLEGE CHOICE: SOMETHING TO 'SCREAM' ABOUT WHEN ADDRESSING COGNITIVE DISSONANCE, BUYER'S REMORSE AND THE EXPERIENCE OF REGRET

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ABSTRACT

A modified Thematic Apperception Test [TAT] was administered to undergraduate students to assess dissonance, remorse and regret with their college choice. Results indicate a "roller coaster" affect associated with overall customer satisfaction. The SCREAM model is provided to assist marketing and enrollment managers in their retention efforts.

INTRODUCTION

It is with purpose and design that *customer* satisfaction is used in the title rather than the ubiquitous term 'student' satisfaction. The idiom, 'student satisfaction', tends to compromise the student's role as a customer and the university's position as a business enterprise. Maguad (2007) reports that many institutions of higher education are hesitant to consider themselves as customer-driven entities. However, a lack of customer focus is likely to engender customer dissatisfaction. And since every student has the ability to transfer or leave an institution, they should be considered a customer, and customer satisfaction should be assessed by every means available. Sitter (2005) cautions marketers to listen closely to what the customer is really saying because being more attentive to customer perception can enhance customer retention efforts and subsequent revenues.

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

The conceptual framework for this study is derived from literature on cognitive dissonance, buyer's remorse and the experience of regret. Each will be discussed separately.

Dissonance theory (Festinger, 1957) suggests that the purchaser may doubt the wisdom of their purchase decision, particularly when the chosen alternative exhibits both positive and negative attributes. In higher education, this can occur when the prospect compares institutions and ultimately chooses one and rejects

others. Festinger (1957; 1964) theorizes that cognitive dissonance can be reduced by focusing on the positive aspects of the chosen alternative and the negative aspects of the rejected alternatives. In higher education, this would entail following up with each student subsequent to their admission and enrollment. However, there is typically a dearth of information regarding the specific alternatives the student considers. This is further exacerbated by the paucity of research in higher education which delineates strategies for addressing specific issues pertinent to cognitive dissonance. Moreover, cognitive dissonance is often conflated with buyer's remorse and the experience of regret.

Oliver (1997) suggests that cognitive dissonance occurs at various stages of the consumption process and that dissonance is generally recognized as a post-decision or post-usage phenomenon. In marketing, this phenomenon is commonly referred to as buyer's remorse. However, unlike dissonance theory, which suggests that cognitive tensions may occur at various stages of the purchase and consumption process, regret theory focuses on satisfaction during the post-purchase stage only (Herrmann, et.al., 1999).

Research by Gilovich and Medvec (1994) suggests that people's biggest regrets tend to involve things they have failed to do in their lives. For example, "*I should have studied more in college*", or "*I should have attended another university*", are typical experiences of regret. In fact, educational regret experiences are common and intense. Hattiangadi, Medvec and Gilovich (1995) asked intellectually gifted individuals, most of whom were in their 70's, what they regretted

most in their lives. The top four responses of twenty-seven regrets were focused on their college experience.

RESEARCH PURPOSE AND ATTENDANT RESEARCH QUESTIONS

Beck (2005) argues that basic service delivery fails to differentiate an organization in a competitive marketplace. It is important to understand which service qualities that customers value and to empower employees to incorporate these qualities into their daily interactions with customers. Pennington (2007) concurs, and suggests “out-of-the-box” research techniques to “tune in” to the voice of the customer.

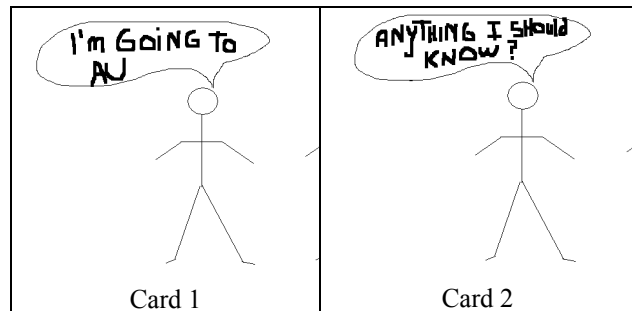
The purpose of this exploratory research is to better understand and conceptualize cognitive dissonance and its relationship to buyer’s remorse and the experience of regret in the college-choice decision process. Specifically, four research questions are addressed: (1) What are the most important concerns or issues in the college-choice decision process that are pertinent to buyer’s remorse and the experience of regret?; (2) Is customer/student satisfaction consistent throughout the traditional four-year undergraduate experience?; (3) Can a factor analytic solution identify latent issues that are pertinent to buyer’s remorse and the experience of regret?; and (4) Do gender differences exist regarding buyer’s remorse and the experience of regret?

METHODOLOGICAL AND STATISTICAL CONSIDERATIONS

The data in the analysis are derived from one hundred and ninety-one [n=191] undergraduate customer/students matriculating at a Midwestern, regional university. Their participation was voluntary and the following sample disposition was obtained: Gender - 63% female; 37% male; Year - 32% freshman; 25% sophomore; 24% junior; and 19% senior year represented.

The participants were instructed to complete a modified Thematic Apperception Test [TAT], a technique often used in the storytelling data collection approach (Churchill, 1988). The respondents were shown two cards with primitive “stick figures” and asked to fill in the bubbles with their first thought [see Figure 1]. The modified TAT was administered by trained academic counselors during the fifth and sixth weeks of the fall semester. No participant experienced any difficulty in completing the task.

Figure 1. Modified Thematic Apperception Test [TAT]



Note: Stick figures and bubbles are purposefully designed to be primitive. The primary objective is to introduce a word stem to elicit latent feelings and thoughts toward the respondent’s undergraduate educational experience. No attempt was made to assess or interpret the respondent’s personality; AU= The institution being assessed.

The responses were categorized into topical areas. For example, if the customer/student responded to Card 2 by writing, “*professors and intramurals are great*”, the topical area was coded ‘professors’ and ‘intramurals’. Each individual response was classified and it was possible for each response to be classified into one or more topical areas. The “tone” of each comment was also designated as being negative, neutral, or positive. For example, if the customer/student responded to Card 1, “*me too, it’s a great place*”, this was coded as ‘positive’. If the response was, “*too bad*”, it was coded ‘negative’.

Given the exploratory nature of the research, all quantitative data were analyzed with exploratory factor analysis and correlational approaches. The two demographic variables of gender and student year were particularly relevant to the specific research questions. Stevens (1996) suggests that exploratory factor analysis can be used to determine the number or the nature of factors that account for the co-variation between variables when the researcher does not possess a priori evidence to form a hypothesis regarding the factors underlying the data. A factor loading of .30 was deemed appropriate, since the participants’ gender and year were classified as dichotomous variables, thereby restricting variation. Moreover, a factor loading of .30 or higher is by convention, acceptable (Nunnally, 1978). Finally, Leech, Barrett and Morgan (2008) set a guideline for factor loadings that suggests a criterion lower than .30 or higher than .50 would be unusual.

RESEARCH FINDINGS

This exploratory research revealed twenty-two ‘interest areas’ that students discussed when

responding to the modified TAT. The findings, reported in Table 1, include specific ‘interest areas’, the percentage of respondents eliciting these specific ‘interest areas’, and the statistical significance of the “tone” of responses toward each ‘interest area’. Seven of twenty-two ‘interest areas’ are statistically significant in a negative “tone” and two of twenty-two ‘interest areas’ are statistically significant in a positive “tone”. However, no statistically significant difference exists between male and female students’ “tone” of responses [positive or negative] regarding each ‘interest area’. This finding suggests a “gender neutral” strategy of addressing remorse and regret in college choice. Moreover, it is reasonable to respond “no” to the fourth research question, “*Do gender differences exist regarding buyer’s remorse and the experience of regret?*”, and will not be addressed further.

Table 1. Modified Thematic Apperception Test [TAT] Results

Interest Area	Percentage	Tonal Direction
Recreation Center	.4712	NS
Food	.3351	NS
Student Activities	.3298	NS
Intramurals	.3037	NS
Community Service	.2880	NS
Professors	.2670	POS
Loans	.2618	NEG
Weekend Life	.2251	NEG
Employment	.2199	NEG
Roommate	.2147	NS
Religious Life	.2094	POS
Scheduling/Advising	.1780	NEG
Cost	.1780	NEG
Internships	.1780	NS
Career	.1780	NS
Major	.1728	NS
Policies	.1518	NEG
Rules	.1466	NEG
Field Placements	.1152	NS
Greek Life	.1047	NS
Sports	.0733	NS
Graduate School	.0471	NS

Note: Statistical significance determined by correlation analysis; alpha <.05; POS = Positive; NEG = Negative [N=191]

When assessing student year and its relationship to the mean value of the “tone” of responses toward each ‘interest area’, a statistically significant *positive* relationship exists between the freshman year and the mean rating response [$r=.563$]. A statistically significant *negative* relationship exists between the

sophomore year and the mean rating response [-.589]. Both correlations are statistically significant at the 0.01 level. The specific mean values for each student year are illustrated in Table 2.

When examining the latent structure of the twenty-two ‘interest areas’ discovered from the student responses to the modified TAT, four unique factors emerged. These four factors, arranged by student year, are delineated in Table 3. Only factor loadings of .30 or higher are listed, in accordance with Nunnally’s (1978) recommendation.

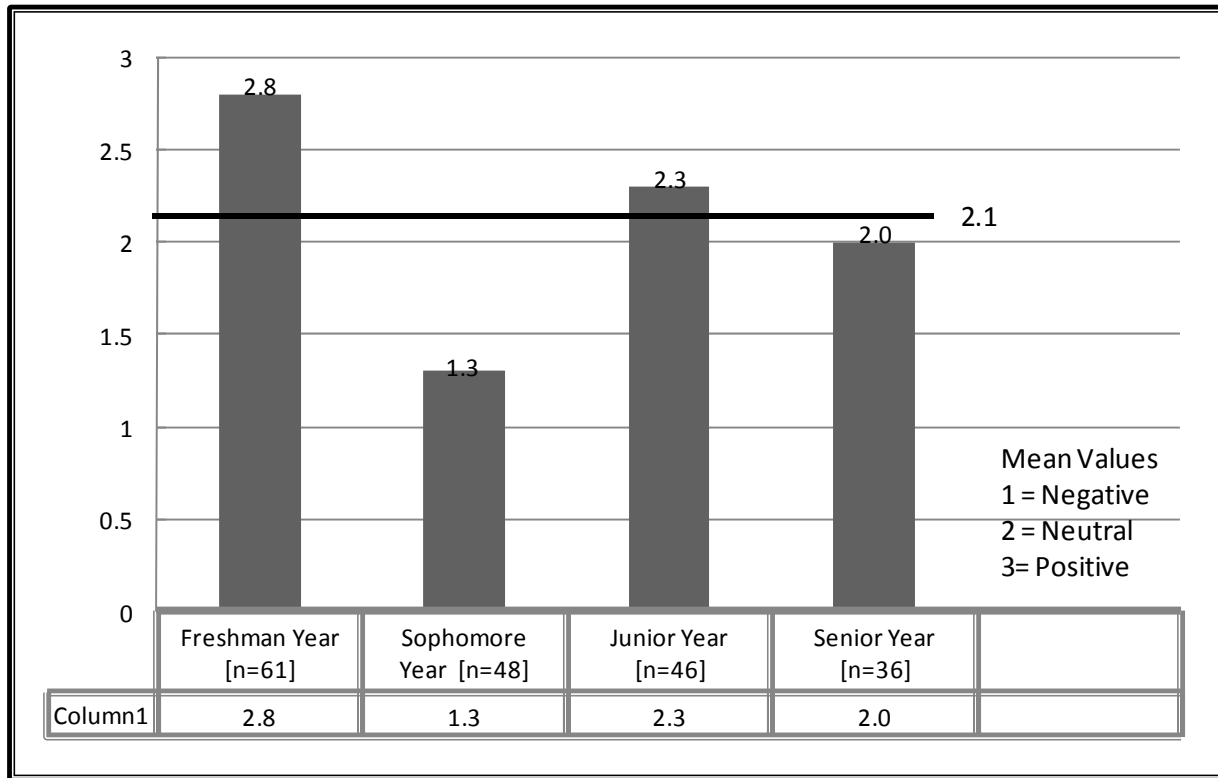
DISCUSSION AND IMPLICATIONS FOR PRACTICE

Table 1 provides the answer to the first research question, “*What are the most important concerns or issues in the college-choice decision process that are pertinent to buyer’s remorse and the experience of regret?*” The top ten ‘interest areas’ were elicited by at least twenty percent of the respondents. In a post-mortem analysis, Religious Life [#11] was a latent response to social relationships and student activities, not overall religiosity of the college. An implication of this research finding is pertinent to the “planting of seeds” for cognitive dissonance. When addressing buyer’s remorse, these “Top Ten” areas require a campus-wide intervention from an eclectic group of professional practitioners. If the institution has a Director of Student Success/Retention, he or she must be more of a coordinator or facilitator than an intervention specialist.

Table 2 provides the answer to the second research question, “*Is customer/student satisfaction consistent throughout the traditional four-year undergraduate experience?*” The data indicate an “ebb and flow”, or “roller coaster” affect associated with the undergraduate experience. During the freshman year, a significantly positive affect is experienced, but during the sophomore year a significantly negative affect is experienced. A similar pattern is manifested during the junior and senior years. An implication of this finding suggests two distinct risk-segments associated with buyer’s remorse. The first, a ‘retention risk’, is operative during the first two years of matriculation; the second, an ‘endowment risk’ is operative during the last two years of matriculation.

Table 3 provides the answer to the third research question, “*Can a factor analytic solution identify latent issues that are pertinent to buyer’s remorse and the experience of regret?*” The data indicate a ‘phase phenomenon’ associated with buyer’s remorse. The first, experienced during the freshman year, is a *Social Phase*. The modified TAT results indicated a latent interest in activities, food, recreation and community

Table 2. Student Year: Mean Tonal Responses To Interest Areas



Note: Grand mean is designated by bold line [2.1; N=191]. Statistically significant positive relationship exists between freshman year and mean tonal responses [$r=.563$]; statistically significant negative relationship exists between sophomore year and mean tonal responses [$r=-.589$]. Correlations significant at .01 level [2-tailed].

Table 3. Latent Structure Of Interest Areas By Student Year [Factor Loadings]

Freshman Year [Social]	Sophomore Year [Institution]	Junior Year [Academic]	Senior Year [Career]
Food	.785	Rules .527	Major .828
Recreation Center	.752	Policies .516	Professors .476
Religious Life	.456	Weekend Life .512	Careers .672
Student Activities	.440	Cost .507	Field Placements .670
Community Service	.348	Scheduling/Advis. .410	Loans .407
		Student Employmt. .350	
		Intramurals .309	

Note: Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. [N=191]

service. The second, experienced during the sophomore year, is an *Institution Phase*. The modified TAT results indicated a latent interest in rules, policies, weekend life and academic advising. The third, experienced during the junior year, is an *Academic Phase*. The modified TAT results indicated a latent interest in academic major and the quality of faculty instruction. And finally, the fourth, experienced during

the senior year, is a *Career Phase*. The modified TAT results indicated a latent interest in field placements, gainful employment and loan payments.

When assessing cognitive dissonance, buyer's remorse and the experience of regret with the undergraduate experience, the research findings suggest a myriad of intervention strategies that marketing and enrollment managers should consider.

First, it should be stressed that although conceptual and operational distinctions exist among cognitive dissonance, buyer's remorse and regret theory, this research uncovered no evidence suggesting a distinction between buyer's remorse and regret theory. The SCREAM model, presented in Table 4, is offered to facilitate enrollment and retention initiatives.

Table 4. The SCREAM Model

Start now! Remember, the data for this research were obtained during the fifth and sixth weeks of the fall semester. Freshmen may start the "sophomore slide" — negative satisfaction ratings — as early as their sixth week.

Construct counter-arguments to combat negative tonal affect toward specific interest areas.

Reinforce the positive aspects associated with students' initial choice to attend the institution.

Educate students, parents and interested stakeholders about the "phases" of college adjustment.

Assess often; use standardized and "out-of-the-box" research techniques.

Manage, maintain, perhaps mandate active collaboration among Academic Affairs, Auxiliary Services, Financial Aid, Residence Life, Student Activities, and Faculty Representatives to address buyer's remorse or regret. Build an ongoing internal marketing communications campaign to encourage active collaboration.

LIMITATIONS AND FUTURE RESEARCH

This exploratory research examined the findings inferred from a modified, non-standardized Thematic Apperception Test administered to a self-selected, convenience sample from a Midwestern, regional university. Although gender and matriculation status were representative of this particular institution, caution must be exercised when attempting to generalize results.

This research employed factor analysis to determine the latent structure of buyer's remorse. Although assumptions of normality and data

classification were violated, robustness of the model was maintained. If assumptions of normality and data classification are met, the solution will be enhanced. Again, future research is warranted. Moreover, a 'phase phenomenon' was elicited, but future research should be conducted to corroborate this finding. Gender and student year were used as marker items to define factor scores, but future research could modify and enlist additional marker items. In addition, it was implicitly assumed that an 'interest area', elicited by the modified TAT, is a de facto customer satisfaction indicant. Again, future research should be conducted to substantiate this untested assumption.

Finally, an implicit assumption was made that suggests there is a conceptual distinction between buyer's remorse and the experience of regret. However, given the study design, no practical differences surfaced. Future researchers may wish to examine this specifically. For example, regarding higher education, buyer's remorse may be related to student transfer; and regret theory may be related to alumni giving.

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ORGANIC FOOD: THE ROLE OF ATTITUDE AND VALUES

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ABSTRACT

The paper examines the relationships among personal values, attitude towards organic food, and intention to consume organic food. Our study reveals that environmental value impacts attitude, while health value has no impact on either attitude or purchase intention of organic food. Our results further show that environmental value influences the intention to buy organic food, with attitude towards organic food acting as a mediator. The study employed structural equation modeling to analyze the data.

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INVESTIGATING THE IMPACT OF MOBILE MARKETING ON CONSUMER DECISION PROCESS AND SHOPPING EXPERIENCE

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Jun Ma, Indiana University - Purdue University Fort Wayne
Nichaya Suntornpithug, Indiana University - Purdue University Fort Wayne

ABSTRACT

The number of people who use mobile devices and services has been increasing, as has the number of companies that have been utilizing mobile marketing. According to GSM World (2009), the number of mobile subscriptions in the world has exceeded four billion. What makes mobile technology unique is its ability to connect people (and companies) anytime and anyplace. Mobile technology's ability to target individual consumers and the near ubiquity of mobile devices allow mobile marketing to be very effective and efficient. This presents a great opportunity for marketers, considering the ever-growing number of consumers. However, the success of mobile marketing depends on user-friendly technologies and its ability to provide value-added services that will enhance consumer experiences. So, what value can mobile marketing offer to consumers? This is a multifaceted question. This study intends to address the following questions: Do consumers believe using mobile services helps to improve their shopping experience compared to a shopping experience that doesn't have access to mobile services? If so, does this belief translate into consumers' willingness to use specific mobile services?

This paper presents findings of a pilot study from ongoing research that investigates consumers' belief about mobile marketing's impact on consumer shopping experience. Consumers' beliefs were measured both for overall shopping experience and for different stages of the buyer decision process (need recognition, information search, evaluation of alternatives, purchase, and post-purchase). The exploratory analyses are based on the initial survey data collected from 116 consumers in the United States and are not conclusive. However, the outcomes of these initial analyses indicate a pattern that supports the hypothesis: Consumers believe that, when compared to an experience with no access to mobile services, using mobile services can improve their shopping experience. This pattern holds true for overall shopping experience and shopping experience at different stages of the buyer decision process. The preliminary data also suggest that those who hold such beliefs are more likely to use mobile services such as shopping assistance, digital payment, receiving promotional messages, receiving digital coupons or tickets in the future. The results of this pilot study will be further examined in a larger study.

The proposed "buyer-decision process" approach can help marketers to develop and target marketing strategies at consumers with different needs at different stages of the buyer-decision process as well as those consumers who hold different beliefs in terms of mobile services impact on consumer shopping experience.

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BEHAVIORAL ADVERTISING: THE TECHNOLOGY AND BUSINESS PRACTICES, THE LEGAL ENVIRONMENT, AND AN ETHICAL ANALYSIS

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ABSTRACT

Behavioral advertising has been around for a long time. But a new set of four technologies will provide companies the ability to build massive databases that contain extremely detailed information about consumers. Marketers are promoting industry self-regulation as the primary protection of consumer privacy, but their utilitarian argument is flawed.

INTRODUCTION

Behavioral advertising is a set of techniques used by advertisers to target advertising messages to those consumers that are likely to be receptive to that advertising message based on demonstrated interests or past behavior. Behavioral advertising has been possible and popular for decades, but its usage is growing exponentially based on two trends. First, technology advancements have made it easy and cheap for companies to gather very detailed information on individual consumers. Second, some estimate that Americans are subjected to between 3,000 and 5,000 messages of all types every day. In this onslaught of advertising, most Americans tune it all out except those messages that have personal meaning (Holahan 2007; Parnes 2008). Advertisers are willing to spend more on targeted ads compared to mass-distributed ads.

In the 2002 Steven Spielberg film *Minority Report*, a possible future of behavioral advertising is depicted. The lead character in the film, played by Tom Cruise, is walking through a mall. Hundreds of cameras read his irises to identify him; ads speak directly to the character by name, recommending various products based on past purchases. Identity detection through biometrics (i.e., iris scans, thumb print) seems quaint today.

Today's technologies provide a much easier and less expensive way of tracking consumers and developing very detailed profiles of individual consumers based on their actual histories of web surfing, traditional in-store and online purchases, online searches, cell phone usage, and e-mail. In addition, new pervasive and inexpensive technologies allow for unprecedented tracking of individuals and their purchases. This paper describes the key technologies and business practices utilized in behavioral advertising, describes the current

legal environment in the U.S. for these practices, and analyzes the ethics of the practice.

THE TECHNOLOGIES AND BUSINESS PRACTICES OF BEHAVIORAL ADVERTISING

Consumer profiling has occurred for decades. With the advent of the computer database, direct marketing companies have been aggregating and storing consumer information from a variety of sources: public records, warranty card information, catalog and magazine records, credit reporting agencies, and even the supermarket. This can yield a lengthy written dossier about an individual and his/her past behavior, shopping preferences, real estate transactions, medical conditions, hobbies, and so on (Electronic Privacy Information Center [EPIC] 2004). In the past the aggregation of many disjoint databases was relatively labor-intensive and expensive, and so therefore was undertaken by a handful of large direct marketing firms. These firms then sold lists of contacts that met a certain profile to clients wishing to do direct mail or direct e-mail campaigns. These campaigns were and still are often seen as annoying to consumers because of the vast amount of junk mail and spam, but they do not raise intense concern of privacy violations.

Customer Relationship Management (CRM) programs have gained widespread usage with the proliferation of computer and Internet technologies. The goal of these programs is to foster deep relationships with individual consumers by analyzing the customer's transaction history and offering tailored benefits specific to that history. For example, supermarket loyalty cards are quite popular. Consumers give the supermarket their personal contact information (name, address, maybe e-mail address or phone) in return for a card

that provides discounts on certain items. The cash register scanner scans the Universal Product Code (UPC) of each product purchased and the code of the loyalty card. This code can be matched with the personal identity of the customer in the store's backoffice computer database. Over time, the supermarket has an extremely detailed and comprehensive understanding of the customer's preferences and can offer coupons and other offers specific to their individual history (EPIC 2004). Similarly, Amazon provides book recommendations for returning customers who have purchased books from Amazon in the past; these recommendations are tailored to the customer's purchase history. Most consumers are generally comfortable with this type of CRM program, assuming that the information gathered is kept secure and is not sold to a third party (Rotenberg 2009).

Neither traditional database marketing nor CRM programs pose a high privacy threat to consumers as long as the data is safeguarded. However, there are four technologies that are raising serious concern about the loss of privacy in an interconnected digital world: advertising networks, deep packet inspection, radio frequency identification, and mobile marketing. The common thread behind all of these technologies is that they make it possible for marketing companies to surreptitiously, without the consumer's awareness or consent, build incredibly detailed databases about an individual's behavior and tie that behavior information to one's personal identity. Each of the four technologies alone gives marketers the ability to amass such data and deliver targeted advertising based on behavioral data stored in a database, but each technology gathers slightly different information.

Advertising Networks

Advertising networks, or online network advertisers, compile profiles of users based on their surfing history; they first came under the scrutiny of the public and the U.S. government in 1999 when DoubleClick, a dominant advertising network company, declared its intent to merge anonymous surfing behavior with detailed customer profiles (EPIC 2000). Companies can track Internet usage history within a site using cookies; a cookie is a small file that is stored on a consumer's hard drive that identifies the consumer. They can track a user's surfing across multiple Internet sites using a group of technologies generally referred to as web beacons (Gilbert 2008). Network advertisers utilize this web site usage and web surfing information to serve targeted ads to the user's browser. For example, if a user visits a travel website that is a member of the DoubleClick advertising network and searches for plane tickets to New York City, that search information could be stored in a cookie on the user's hard drive. If

that same user later visits a different site that is also a part of the DoubleClick advertising network, the original cookie could be retrieved and compared with what the user is looking at or searching on the new site to deliver a target ad. For example, if the same user went to a local newspaper site and read an article on the Washington Nationals baseball game, the network advertiser knows that the user has an interest in travel to New York City and an interest in baseball. Therefore, it could serve up an ad for discounted New York Yankee tickets (Federal Trade Commission [FTC] 2009). One can see how merging this web usage history with personally identifiable information such as name and address is a chilling thought to privacy advocates.

DoubleClick is the world's largest advertising network. When Google, the world's largest search engine, proposed to merge with DoubleClick in 2007, privacy advocacy groups banded together to stop the merger. They feared the prospect of a single company that had access to hundreds of millions of consumers' search histories, surfing histories, and personally identifiable information (EPIC 2009a). The attempt to block the merger failed.

Deep Packet Inspection

Deep packet inspection is a technique in which the entire unencrypted data in each Internet transmission is examined and action is taken based on the contents (Deep Packet Inspection and Privacy). In other words, every time a user hits the enter key or clicks on an action button on a web page, the entire contents of the screen that is sent to the server (unless it is encrypted, as is the case in most credit card transactions) is available to the deep packet inspection system. A rather benign example of this practice is Gmail, the Internet-based e-mail service offered by Google. If a Gmail user receives an e-mail from her mortgage loan officer discussing closing costs and financing rates, the right-hand side of the screen that is used by Gmail for targeted advertising would display ads from other banks, mortgage companies, and other companies interested in targeting individuals who are purchasing a new home. If that same user receives an e-mail from a personal friend describing a wedding that he attended, ads related to weddings and bridal supplies may be displayed. This is possible because the Gmail software scans each e-mail message for keywords that advertisers have agreed to purchase from Google. According to the FTC, most users are fairly comfortable with this form of deep packet inspection if that information is limited to the first party, which in this case is Gmail (FTC 2009).

A potential application of deep packet inspection that has created a great deal of backlash, including congressional hearings, is the use by an Internet Ser-

vice Provider (ISP). By definition, an ISP is a consumer's entry point to the Internet. Every consumer transaction, search, surf, and so on must go through the ISP. In 2008 a broadband ISP, Charter Communications, informed its customers in writing that it would partner with a company called NebuAd. Essentially, the NebuAd hardware would sit between the user and the ISP and examine each packet. It would deliver advertising based on the contents. An example would be a consumer sending a private birthday greeting via e-mail could see an ad for flowers. Threats of congressional action on the practice of deep packet inspection caused Charter to withdraw its plans and forced other large ISPs to document their policy towards the practice (FTC 2009; EPIC 2009b; Rotenberg 2009).

Radio Frequency Identification

Radio frequency identification (RFID) is a technology that, in the context of marketing, is like a wireless radio frequency-emitting version of the Universal Product Code (UPC) or bar code. Like a UPC, it has a unique identifier for a particular product. Unlike a UPC, however, RFID tags store information that is unique to each individual product. Therefore, two different size six blouses of a particular style and manufacturer would have identical UPCs but unique RFIDs. Also, unlike UPCs, RFID chips can be updated as the product moves through the supply chain. The chip just must get close enough to a device that reads the transmission (a reader) and the item's movement is tracked and noted; the maximum distance between the chip and the reader varies from less than a foot to hundreds of feet (Clarke and Flaherty 2008).

Wal-Mart was a major and early proponent of RFID technology because of the vast potential in managing the supply chain. It announced that all pallets shipped to Wal-Mart must include RFID chips to improve tracking of product (at the pallet level) and theft prevention. The technology would also improve Wal-Mart's competitive position by reducing stockout rates. The cost of RFID technology was originally sufficiently high that manufacturers just deployed them at the pallet or case level (Clarke and Flaherty 2008).

However, as with all technologies, the cost of RFID is rapidly declining, prompting some companies to put RFID tags on individual items of clothing, car tires, health and beauty products, and so on. Privacy advocates fear the day that a consumer will enter a store or public building that contains an RFID reader in the door jambs or floor tiles. RFID chips (which can be very tiny and not obvious) could be embedded in personal items, clothing, shoes, bank cards, store loyalty cards, and perhaps even currency (Clarke and Flaherty 2008). The simple act of entering a store could reveal everything the shopper is carrying or wearing, includ-

ing the amount of currency they have. Identifying documents with RFID embedded (e.g., driver's license, passport, credit card) would allow for the immediate linkage of personally identifiable information. So as in the scene illustrated in *Minority Report*, the mall ads could address an individual by name and tailor the pitch based on the clothes he is wearing and what he is carrying. No need for an iris scan.

Mobile Marketing

Advertisers have a new favorite type of device for delivering targeted advertising – the cell phone, smart phone, and web phone. Most contemporary phones are equipped with Global Positioning System (GPS) tracking capability. Customers use these devices to surf the web and to get the names and locations of local businesses. Online advertising firms are planning to apply behavioral techniques to web-enabled phone searching history (Holahan 2007). So take an example of a consumer who regularly uses her web phone to search for local coffee houses. As she's about to come into range of a Starbucks, she receives a targeted web ad offering her a special discount. In another example, a liquor store texts another consumer when he is driving nearby that his favorite brand of gin is on sale. One of the privacy concerns of this trend is that mobile phone companies already know far more about their customers than even online advertising networks. They know where their consumers are at any point in time, who they talk to and for how long, what their text messages say, and now what kind of local businesses and services they are attempting to locate.

Conclusion on Technologies and Business Practices

In an unfettered world without privacy watchdogs and/or regulation, over time massive databases will evolve that contain a complete profile of every individual consumer. The profile could include all of the information gathered using the four technologies and business practices discussed (advertising networks, deep packet inspection, RFID, and mobile marketing). The owner(s) of these databases could know, in minute detail, how we spend our time online and in the actual world, where we go, who we communicate with and what we say, what we search for online and in our neighborhoods, and everything that we have bought online or in the actual world. Presumably the purpose of such a database would solely be to deliver targeted advertising. However, it is not difficult to imagine far more nefarious uses of the data. Examples given in testimony to Congress include the sale of this information to prospective employers or to government agencies (Rotenberg 2009). Privacy advocates and some members of Congress insist on comprehensive legisla-

tion that will save American consumers from this fate. The direct marketing industry wishes to keep this a world that is fettered only by industry self-regulation. The U.S. government has spent the last 15 years trying to balance the needs and demands of these two powerful groups.

THE U.S. LEGAL ENVIRONMENT OF BEHAVIORAL ADVERTISING

The U.S. Federal Trade Commission (FTC) has been the dominant U.S. federal agency overseeing online privacy issues. In 1995, when commercial use of the internet was just beginning, the FTC created a set of five principles called the Fair Information Privacy (FIP) principles with the intent that these principles become law. The principles have been proposed in several bills but those bills have never become law in the U.S. (although the European Union has passed a law based generally on the FIP). The principles offer general protection of consumer privacy for all online activities. The five principles embodied in the FIP:

1. Notice/awareness – consumers must be given notice of a company’s collection and use of consumer information
2. Choice/consent – consumers must be given an option of whether personal information is collected
3. Access/participation – consumers must be given reasonable access to the information gathered about them and the ability to challenge the accuracy of the data
4. Integrity/security – companies must take reasonable steps to ensure that the data is accurate and protected from unauthorized access or use
5. Enforcement/redress – Governmental or self-regulation means of sanctioning companies in non-compliance with the FIP (Landesberg and Mazarella 1999).

The agency first became involved in studying the specific privacy implications of behavioral advertising in 1999 when DoubleClick announced its intention to merge its anonymous surfing data with detailed customer profiles. The company backed down in the face of public outcry. The concern about behavioral advertising came to the forefront once again as soon as Google proposed a merger with DoubleClick in early 2007 (EPIC 2009a). In late 2007 the agency held a two-day Town Hall meeting to get feedback from consumer and privacy advocacy groups, business groups, academics, individual consumers, and individual companies. This resulted in the publication in late 2007 of a set of proposed principles “designed to serve as the basis for industry self-regulatory efforts to address pri-

vacancy concerns” (FTC 2009, ii) in behavioral advertising.

The proposed principles do not negate the original FIP; rather, they are a set of four principles that address specific concerns unique to the practice of behavioral advertising. The four governing concepts:

1. Transparency/control – companies must give meaningful disclosure and choice of participation
2. Reasonable security and limited data retention – companies must take reasonable security measures to protect behavioral data and must retain it only as long as required for business or law enforcement purposes
3. Changes to privacy policy – companies must gain express permission for gathering consumer information after a substantial change is made to their privacy policy
4. Sensitive information – companies must obtain explicit consent when gathering sensitive information such as information about children, health, or finances (FTC 2009).

So the FTC has published two sets of principles, one general to all online activity and one specific to the practice of behavioral advertising. Despite pressure from privacy advocacy groups and certain members of Congress, there are no laws or regulations to safeguard consumer privacy (Rotenberg 2009). The Director of the Bureau of Consumer Protection of the FTC stated in testimony before a Senate committee that the commission was “cautiously optimistic that the privacy concerns raised by behavioral advertising can be addressed effectively by industry self-regulation” (Parnes 2008, p. 1).

Self-regulation has long been the solution preferred by participants in industry. There are two major weaknesses to self-regulation. First, participation in a regime of self-regulation is optional. Leaders in industry may define a particular set of rules or standards of self-regulation, but there is no way to enforce that all companies will adhere to those rules or standards. Second, there is no enforcement mechanism for those companies claiming to support the self-regulation rules and standards. Therefore, a company may publicly support the rules and standards, yet implement a marketing program that does not comply with those rules and standards. If the impact of this non-compliance is not evident to business partners or consumers, it could go completely unnoticed.

AN ETHICAL ANALYSIS OF BEHAVIORAL ADVERTISING

The proponents of behavioral advertising argue that consumers benefit more from the practice than the harm they are subjected to. Specifically, they state that

consumers benefit because they would rather see ads that were relevant to them than ads designed for the masses. Also, consumers benefit from the vast amount of free content available online, content that is being supported by advertising dollars (FTC 2009; Parnes 2008; Rotenberg 2009). In addition to the benefit to the consumer, the network advertisers and their clients benefit by directing ads to consumers most likely to be receptive to the ad. The potential harm to the consumer from the practice is minimal, according to behavioral advertising advocates (Parnes 2008). Thus, the cost-benefit argument offered by advocates of the practice resembles the ethical theory of utilitarianism.

Utilitarianism is a common ethical theory utilized in marketing and business analysis because its cost-benefit calculation is familiar to people schooled in management decision making (Murphy and Laczniak 2006). However, the advocates of behavioral advertising present an incomplete utilitarian analysis. An actual utilitarian analysis must fully account for the costs and benefits of all potential stakeholders (Murphy and Laczniak 2006). The utilitarian argument offered above both overestimates benefits and underestimates costs.

The benefits to the consumer of behavioral advertising are overestimated by assuming that consumers like to see targeted ads and are comfortable with the idea of behavioral advertising. A recent study by the Berkeley Center for Law & Technology at UC Berkeley School of Law (Berkeley Law), and the Annenberg School for Communication at the University of Pennsylvania found that Americans do not like the concept of behavioral advertising. When initially tested, two-thirds of those surveyed said they did not like the idea. Then, when they were informed of some of the tactics used by advertisers, in particular tracking behavior on websites and in retail stores, the opposition rose to between 73% and 86% of respondents (Turow, King, and Hoofnagle 2009). The industry asserts the opposite, that consumers actually like targeted advertising. The second part of the rationale that behavioral advertising benefits consumers is that advertising dollars support free content on the Internet. While perhaps true, it is unclear whether this would change if behavioral advertising practices were limited or eliminated. Therefore, one cannot count the full benefit of free web content (even if one could estimate this benefit) to the practice of behavioral advertising.

The risks of behavioral advertising are underestimated when one considers the massive scales over time. If one company (Google, for example) has a very detailed understanding of each individual consumer, that information has great value to that company. That value can be calculated by estimating ad revenues, for example. Its clients also presumably benefit through improved sales and profits, and these too can be estimated. However, it can be argued that the cost to the

consumer is very large and perhaps inestimable. The information could be used for more malignant purposes than behavioral advertising. It could also fall into the hands of an individual or company with the intent to do harm. In reality, the harm to the consumer is only low if one assumes that a benign corporation is gathering the information and would never do anything with that data that would put individuals and even society at great risk. The industry's claims make the practice sound beneficial to consumers at best and benign to consumers at worst. This conclusion can only be reached through a flawed calculation of costs and benefits.

CONCLUSION

Most papers and books that examine the privacy implications of existing and emerging technologies focus on the fear of Big Brother, the federal government, tracing citizens' every move. The focus of this paper is on companies that earn revenue by advertising to individuals based on demonstrated behavior. While there are laws that limit the extent to which the government can gather and access information on civilians, the same is not true of corporate entities. There are no laws (in the U.S.) preventing or limiting companies from gathering detailed information through the technologies discussed in this paper or other technologies. There are no laws limiting what companies can do with the information once gathered. For example, they may sell information to the government that the government is barred by law from gathering on its own. Industry participants have convinced members of Congress and of the FTC that consumers experience greater benefits from targeted advertising than risks, and that industry self-regulation is effective and sufficient in protecting consumer privacy.

One thing is clear. These technologies are advancing, and marketers are using them because they provide enormous benefits to the marketers. Lacking a public outcry or tight legislation, the industry will cloak itself under self-regulation and continue down the current path. However, self-regulation is meaningless when participation is optional and there is no oversight or enforcement. The enormous value of these megadatabases will provide a powerful profit motive for owners to monetize that content – perhaps, as suggested by Marc Rotenberg of EPIC, by selling information to prospective employers or to a government agency. The enormous value will also create a powerful motivation for those intent on stealing the data.

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THE EVOLUTION OF E-TAILING

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ABSTRACT

Retail transactions, once nearly exclusively performed in face-to-face experiences, have over time become mediated by technology. As technology has been introduced, it has led to new ways for consumers to pursue their consumption interests by browsing catalogs, calling companies to place orders over their home phone, and in the last two decades to use Internet-based technologies to search for information and make purchases.

As we have moved forward, these technological changes have fundamentally transformed the retail landscape, altering both the way trade occurs and what is exchanged. New forms of commerce using mobile devices are making it possible to search and select products easily through interfaces tailored to those on the move. At the same time, activity in virtual worlds (which are persistent, 3D simulated environments accessible over the web) has led consumer behavior away from the person and toward the avatar as the consumption agent.

These changes, beyond e-tailing as simply an online retail presence to one that responds to wholly different consumption experiences, necessitate a broader conceptualization of retail commerce beyond traditional forms. We propose and empirically test a modern typology of commerce to help marketers define the kind of consumption experiences that they are offering to customers. Toward this end we suggest a commerce typology that includes the following types: retail commerce, direct mail, telesales, computer-accessed web-based commerce (e-commerce), mobile device-based commerce (m-commerce), commerce that is the result of consumer behavior both in virtual and physical reality (dual v-commerce), and commerce that is pursued in virtual worlds with avatar consumers (pure v-commerce). Retail commerce, direct mail, and telesales are grouped into traditional commerce.

To assure that customers themselves see these distinctions, we provided respondents with the definitions that we used for traditional commerce, e-commerce, m-commerce, dual v-commerce, and pure v-commerce. We then asked them to classify a set of consumption experiences to assure that respondents saw distinctions. Results show that consumers' perceptions of commerce fit the proposed typology and also establish the commerce descriptions as distinctive forms of retail.

Finally, practical strategies for expanding retailing to include mobile and virtual commerce opportunities are offered. We suggest that marketing strategists strongly consider the recommendations in the literature for m-commerce and look at elements of the consumption experience such as personalization and convenience. For virtual commerce, it is important to understand how virtual goods and services might work and relate to the avatar, the virtual world, and any connections that the virtual world might have to the physical world. Companies that can deftly bridge the gap between virtual commerce and more traditional forms will be capable of developing synergies and, potentially, stronger brand images.

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THE RELATIONSHIP BETWEEN CUSTOMER SATISFACTION AND REFERRALS IN THE FINANCIAL SERVICES SECTOR: AN EMPIRICAL CASE STUDY FROM AN EMERGENT ECONOMY

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ABSTRACT

The global meltdown has affected the banking sector worldwide significantly; banks are struggling to recover from the implications. The banking industry, in a way, triggered the chain reaction which had ripple effects in all the other sectors. However, there are some important lessons to be learnt from this debacle. Some economies, notably the emergent ones, were more resilient to this slowdown than the developed ones. Even the banking sector in some of these economies posted a robust growth in spite of the downturn. Our research study in the banking industry of resilient emergent economy of India could provide insight into this contrasting phenomenon. We report on a detailed study of a multinational bank operating in India with a random sample of over 9000 of their customers. Our research provides valuable insights into a market driven bank's drive for customer satisfaction and looks at some of the antecedents and consequences of such initiatives.

INTRODUCTION

Latest economic headlines from India seem to be in complete contrast with the banking industry in other parts of the world. For instance, a recent Wall Street Journal (July 1, 2009) report indicated that India (along with Turkey and Argentina) had the best-performing financial benchmark indexes in their respective regions. The report alluded to a strong and vibrant democracy driving the Indian financial sector in addition to the profitability of banks. This comes as a surprise to most of us in the USA, as banks are struggling to maintain liquidity and receiving aid from the Federal Government to see them through a lean time. Contrast this also with not just a temporary event but a *trend* in India, lending by foreign banks in India increased by 16.9% in 2008 while lending by private-sector banks rose 11.8% in 2008, although these lending numbers are about half of the previous year, most analysts are astonished by this performance (WSJ March 30, 2009). The State Bank of India (SBI) which is India's largest nationalized bank by assets and is 60% owned by the government, has remained focused on its mission to serve rural India and its consumers – small but many. An estimated 800 million Indians comprise the rural marketplace. This commitment to customer satisfaction has yielded great results, deposit base at SBI rose by close to 40% in the three months ended Dec. 31, 2008!. Further SBI is reiterating its

commitment to customer service by implementing an electronic token system to serve customers more effectively and efficiently. Service quality improvements include a simple smile to be offered along with financial services, a customer-friendly orientation of the service providers.

It seems like the rest of the world may find lessons in the Indian experience with retaining customer confidence, building trust, and assuring customer satisfaction. Our research provides some insights into the Indian banking sector's drive for customer satisfaction and looks at some of the antecedents and consequences of such initiatives. This paper uses empirical evidence from one of the largest multinational banks operating in India to underscore some of the conceptual foundations and learning tenets of customer satisfaction and customer complaints resolution mechanism in enhancing overall performance of the banking sector.

In the following section we examine the past research in this stream of enquiry, we then proceed to delineate our research objectives. In the subsequent section we describe our methodology, followed by a discussion of our findings. We conclude with limitations and future research avenues that emerge as a result of this research.

PAST LITERATURE

An article in the banking wire (2008) which quoted Forrester Research survey indicated that among nine industries in the survey, banking industry finished near the bottom of the heap in customer loyalty. The financial services marketing literature has examined the notion of customer satisfaction with considerable breadth and depth. Aksoy et. al. (2008) posit that customer satisfaction is a valuable intangible asset that generates positive returns. They showed that investing in a portfolio of firms with high and increasing customer satisfaction is far superior to investing in a portfolio of firms with low and decreasing customer satisfaction. Furthermore, it also beats the S&P 500 index. The results remained similar even after adjusting for risk and these are similar to the findings of previous studies of this nature. Luo and Homburg (2007) found a fascinating result that marketing efforts to enhance customer satisfaction not only make employees feel good about their employer, but may improve employee's future performance.

Since our study focuses on the emergent economy of India, we specifically focus on some of the past research from this country. Jham and Khan (2008) in an empirical study on Indian banking customer in the region of UP, Delhi and NCR provided evidence that satisfaction results in building better relationships with customers through better services. They concluded that a standardized global strategy affecting performance may not be valid in India, rather banks need to develop unique relationship marketing strategies based on the regions they serve. They inferred that since the nature of services is such that interaction of the external customer with the internal customer is essential, satisfaction from these interactions play a very important role in developing relationships. The results in this research revealed that satisfaction of the customer varies from bank to bank and from customer to customer. This study also provided evidence that customer satisfaction affects banks' sales and profitability.

An article published in Mortgage Banking (2008) quoted a JD Powers' *2008 Home Equity Line/Loan Origination Study* finding that there are five key performance indicators for lenders that are critical to satisfying customers— approving applications and providing customers with access to their funds quickly; setting and meeting expectations during the application approval process; avoiding surprising the customer during the origination process; being versatile and flexible in the location of the closing; and being mindful of the pitfalls of using a mortgage broker. The author (Ryan 2008) noted that lenders that perform well in these performance indicators tend to increase their percentage of highly committed customers, who are more than twice as likely to recommend their lender to others

and to reuse their current lender for their next home-equity or mortgage product. In turn, this growth can help these lenders outperform their competitors over time.

Cooil et. al. (2007) findings indicate that changes in satisfaction are positively and nonlinearly related to the share of wallet a customer allocates to a particular service provider over time; specifically, the initial satisfaction level and the conditional percentile of change in satisfaction significantly correspond to changes in share of wallet. Second, the findings suggest that both income and length of relationship negatively moderated the relationship between changes in satisfaction and share of wallet. Helgesen (2006) study indicated that there seems to be a positive relationship between customer satisfaction and customer loyalty, and there also seems to be a positive relationship between customer loyalty and customer profitability. The two relationships under consideration are both found to be nonlinear. Both the relationship between customer satisfaction and customer loyalty and the relationship between customer loyalty and customer profitability seem to be positive at a declining rate.

Motley (2004) argued that smaller banks have been showing higher scores on customer satisfaction because of their focus on the day-to-day, people-to-people service protocols. The larger banks were having a misguided notion that internet banking would replace live bankers. However, the larger banks have also understood the importance of customer satisfaction and are improving their customer satisfaction scores. Sergio (2003) using SEM technique in the financial services industry found interestingly that ethical sales behavior of the frontline sales executives had a direct influence on customer satisfaction with the core service but not on satisfaction with the company as a whole. Yet, ethical sales behavior and satisfaction with the company were significantly and positively correlated.

Lynn (2000) quoted a Virginia based consulting firm TARP whose 25 year banking industry research showed twice as many people hear about bad experiences as good ones. Customers who are dissatisfied with a bank's attempt to resolve a problem or answer a question will tell as many as 16 friends about it. Customers who complain and have their complaints resolved are more brand-loyal than customers who have no complaints. The study also found out that an increase in loyalty can decrease administrative costs by 10 to 40 percent.

OBJECTIVES OF CURRENT RESEARCH

All these studies make significant contributions in theoretical terms; they fail to provide practical insights that may lead to successful strategy formulations based

on the experiences of banks in India. Our research focuses on empirical evidence from an international bank in India that has to compete with a state owned bank which is gaining momentum as a leading competitor. The experience of this bank provides insights in parsimoniously reducing the antecedents of customer satisfaction in Indian banking sector to a few manageable variables. Theoretically our model is based on a hierarchical model posited by Bhattacharya and Singh (2008) which is attractive to us because it subsumes multiple variables in a neat and manageable manner. As additional advantage of such a model is that our results will be helpful in drawing conclusions that lead to clear managerial implications to improve customer satisfaction with a focused and efficient marketing strategy.

This study attempts to develop a predictive model to examine consumer behavior in financial services sector based on factors such as customer satisfaction, customer complaints, and complaint resolution time. The specific research issues we examine relate to the relationship between customer satisfaction and product recommendation to a friend, customer satisfaction and case resolution time, optimal time expectations of the customer in complaint and case resolution and its impact on resultant customer satisfaction, and finally the impact of increased customer satisfaction upon propensity to make referrals.

Building on a prior study based on data from 350 customers of scheduled commercial bank branches in Orissa (India) we operationalize our key variables. Lenka et al (2009) elicited information on human, technical, and tangible aspects of service quality, customer satisfaction, and loyalty. Human aspects of service quality were found to influence customer satisfaction more than the technical and tangible aspects. In the Indian banking sector, human aspects were found to be more important than technical and tangible aspects of service quality in influencing customer satisfaction and promoting and enhancing customer loyalty. In a similar study based on a grounded theory approach, Bhattacharya and Singh (2008) found that customers used a hierarchical set of service attributes, consequences of services, and the end state achieved as a result of the service experience, in ascertaining satisfaction. This hierarchical structure was found to be both generalizable and stable.

We build our hypothesis based on these findings. In our research, the attribute level deals with front-line performance on basic service dimensions, the consequence of service is operationalized as case resolution time (irrespective of outcome of such case considerations), and the end-state relates to product recommendation to a friend over a period of time. The case resolution could result in outcomes favorable to the complainant or unfavorable; in both cases we operationalize the efficiency in terms of time taken to

resolve rather than the outcome of the resolution itself. This is in tune with the standards set by the Reserve Bank of India, the central bank regulating the operations of banks in India. Based on past literature and evidence, the following hypotheses were developed to address the research issues:

H1: There is a significant relationship between case resolution time and customer satisfaction, irrespective of the outcome of the complaint resolution process.

H2: There is a significant relationship between case resolution time and recommendation to a friend, irrespective of the outcome of the complaint resolution process.

H3: There is a significant relationship between customer satisfaction and customer willingness to recommend the bank to a friend.

RESEARCH METHODOLOGY

The larger research study that the data is obtained from was undertaken in the emergent economy of India for a multinational bank with multiple branches numbering in hundreds serving both urban and rural populations. The cross sectional data consists of a convenience based random sample collected from various branches of the bank over a specific time period. The effective sample size consists of 9605 respondents that responded to a paper and pencil survey at the point of service delivery, participation was voluntary. Survey addressed questions about how many times the customer had to call the bank to solve their complaint and query, based on their experience would they be willing to recommend the bank to a friend, their overall rating of the satisfaction, etc. The overall satisfaction and the satisfaction from service items were measured on a five point scale with one being excellent and five being poor. The recommendation to the friend was measured on a 10 point likelihood scale with 10 being extremely likely and 1 being extremely unlikely. Case resolution time is the number of days in which the query was resolved and zero meant that the query was resolved on the day of complaint being raised. The overall satisfaction was measured on a five point scale with 1 being excellent and 5 being poor. The number of times a person contacted the bank was one for one time, two for two times, three for three times and four meant more than or equal to four times, five meant that the case was not resolved and respondent was provided with the option "can not recall," to avoid guessing. Correlation and regression analysis was used to test the hypothesis. Preliminary results are summarized in Table 1.

RESULTS AND DISCUSSION

On an average case resolution time for a complaint is approximately 13 days, which is well within the prescribed guidelines (30 days) of Reserve Bank of India, the governing federal body in the financial services sector. There is an ombudsperson-based redressal of grievances in place if the bank does not reply or the reply is unsatisfactory. Individual banks have their own ombudsperson to resolve issues as needed, trying to

reduce customer dissatisfaction. However, the standard deviation of case resolution time in the data is high (13.48) with the upper limit going as high as six months (198 days). Some of the satisfaction data (at least for some in our sample) will be influenced by this statistic, as we proceed with further analysis. Data suggests that respondents have been active in good word of mouth publicity with a rating of 7 on a 10-point scale.

Table 1. Descriptive Statistics

	N	Min	Max	Mean	Std. Dev.
Case resolution time (in days)	9605	.00	198.00	12.7041	13.48538
Recommend to a Friend	9605	1.00	10.00	7.1498	3.17032
Times contacted	9605	1.00	6.00	2.4454	1.62647
Service Rating	9605	1.00	5.00	2.5324	1.50769
Satisfaction	9605	1.00	5.00	2.5185	1.51612

Table 2. Correlations

		CRT	Rec. friend	Contact	Service rating*	Satisfaction*
CRT	Pearson Correlation	1.000	-.067**	.076**	-.077**	-.075**
	Sig. (2-tailed)		.000	.000	.000	.000
Recommend friend	Pearson Correlation	-.067**	1.000	-.493**	.843**	.843**
	Sig. (2-tailed)	.000		.000	.000	.000
Contact	Pearson Correlation	.076**	-.493**	1.000	-.547**	-.530**
	Sig. (2-tailed)	.000	.000		.000	.000
Service rating	Pearson Correlation	-.077**	.843**	-.547**	1.000	.908**
	Sig. (2-tailed)	.000	.000	.000		.000
Satisfaction	Pearson Correlation	-.075**	.843**	-.530**	.908**	1.000
	Sig. (2-tailed)	.000	.000	.000	.000	

**Correlation is significant at the 0.01 level (2-tailed).

*Satisfaction and Service Rating are recoded for consistence of directionality.

This is an important factor for any marketer because the influence of peers in choice decisions, especially in a high involvement product such as financial services, could make or break a product. Satisfaction and service ratings of the bank both are close to 2.5 (2-very good and 3-good) indicating an average response between good and very good. Also, since the customers are very satisfied from the service of the bank the high recommendation to the friend is understood. The correlation (see Table 2) is significant between all variables and is along expected lines. Customers whose cases are resolved quickly and had to contact lesser number of times were more satisfied with the bank and rate it higher. Also, they are very likely to recommend the bank to a friend.

We then proceeded to fit ordinary least squares regression models to further test our hypothesis. Hypothesis 1 found support at the 0.05 level of significance ($p: 0.0001$; $F= 53.898$) and the regression coefficients were found to be significant at the 0.0001 level. The coefficient of determination was low (6%), but the data fit the model well. Customer satisfaction was seen to rise as the amount of time taken to resolve a customer complaint was lowered.

Hypotheses 2 and 3 found support at the 0.05 level of significance ($p: 0.0001$; $F = 23610.510$) and the regression coefficients were found to be significant at the 0.0001 level. The coefficient of determination was high (71.1%) and the data fit the model well. Customer willingness to recommend to a friend was seen to rise as the amount of time taken to resolve a customer complaint was lowered and customer satisfaction went up.

The model where we regressed the recommend to a friend variable on service rating, complaint resolution time, contact made, and satisfaction rating was tested for the overall model fit. The resultant model indicated an excellent fit with a coefficient of determination of 74.5 percent. All the variables loaded significantly at the 0.001 level, with the exception of customer contact frequency for dispute resolution and query ($p: 0.913$). The overall model fit was excellent with $F= 7028.830$ ($p:0.0001$).

MANAGERIAL IMPLICATIONS AND CONCLUDING REMARKS

We found that customer satisfaction results in better recommendation to friends and thus helps in bringing more customers to the company. Our study also is in sync with Lee and Hwan (2005) study where they linked customer satisfaction with purchase intention. We also found that customer satisfaction leads to better recommendations to the friends. Bank managers are

recommended to try and reduce the number of days required to solve a query to increase satisfaction. Also, satisfied customers can provide good recommendations so the company should try to use these customers as influencers in the decision making of other prospects. Our model provides some prescriptive results that could lead to establishing marketing metrics of performance and thereby justify the investments made to improve such services.

As with most survey based research, despite our large sample size we caution the readers to be pragmatic in drawing conclusions based on a small sample from a very large emergent economy of India. Although multiples of hundreds of branches were involved in the study, only one bank (albeit a leader among the largest multinational banks in India and indeed the world) was involved in the study. Generalization of results to other emergent economies might be an erroneous extension of our results.

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REPUTATION AS A RESOURCE AND INSTITUTION: EVALUATING DIFFERENT EFFECTS WITHIN THE TRIAD OF ASIA, AMERICA AND EUROPE

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ABSTRACT

Corporate reputation has been positively linked to firm performance (Fombrun, 1996) to which the Fortune Global 100 conforms. Reputation has similar effects in Europe and America, but not Asia, which may be explained by similar institutions found in the former regions. Effects in Asia may indicate reputation as a resource.

That reputation is linked with financial performance should be of no surprise to those familiar with the literature (Fombrun 1996; Roberts and Dowling 2002), although little study has been given to a comparison of reputations effects across regions. The purpose of this paper will be to show potential cross-regional effects of firm reputation and provide theoretical underpinnings. Firm reputation is an elusive, sometimes hard to define concept (Barnett et al. 2006) that in this instance will mean the most admired companies, as ranked by Fortune magazine survey respondents. Despite problems with this measure (Fryxell and Wang 1994), it has been used repeatedly in the academic literature to show that reputation, as it defines the term, is linked positively with performance (e.g. Dolinger et al. 1997; Filbeck and Kruger 2002; Luchs et al. 2009; Stark 2002). The logic here is intuitive as well; the more well-liked and admired the firm is the more likely it is to have positive financial performance. Indeed, positive financial performance may be an antecedent of the reputation. Nevertheless, the Fortune measure remains a popular quantitative measure of this elusive intangible asset and, knowing its limitations, can be useful. After all, it does serve to describe the sort of long-term respect that lies at the heart of firm reputation (Ang and Wight, 2009), regardless of individual definition.

Reputation can mean many things in an international context, which can serve to drastically warp results. Even within the context of most admired companies, what different cultures admire can and will be different. How firms respond to their institutional environment, including culture, may earn admiration or disdain in different regions. Another possibility is that reputation will behave similarly across regions, denoting its status as a sustained competitive advantage in the global economy.

Reputation studies in Europe and America have both found theoretical arguments for the justification of linking reputation and performance. Sanchez and Sotorrio (2007) argue for the roots of why reputation effects performance in a three pronged model, presenting not just a direct relationship between the variables, but also three moderating variables: differentiation strategy, competitive intensity and power of stakeholders. Here, differentiation would augment the relationship, where competitive intensity and powerful stakeholders would detract. These relationships were then tested amongst Spanish firms. The moderator of stakeholders was fully elucidated in the European literature by Neville and his colleagues (2005) who theorized that this relationship would be due to resource allocation control among stakeholders who could bypass the use of reputation. Amongst Americans, Mahon (2002) presents a strong theoretical argument based in the Resource-Based View that reputation, as influenced by company actions and stakeholders, can lead to a competitive advantage.

Still, the relationships here are not necessarily as strong as they may seem. When reputation is divided as a variable, there has been some variance in results. For example, in his study of British supermarkets, Moore (2001) found a negative relationship between contemporaneous reputation and performance, although he did find a relationship where performance was an indicator of reputation. In another work, although the relationship was still found to be a positive one, researchers found that reputation's effect may not be as strong as it could be because firms did not recognize the benefits of a high reputation and therefore failed to capitalize on their resource (Fearnley 1993), which would surely affect the statistical results when looking for a direct relationship. Such work does provide a sense of caution to those who would tout reputation as a universal panacea.

While reputation still takes on a good deal of the brand image meaning in Asia, the use of the term corporate social responsibility (CSR) is incorporated more into the idea of reputation. CSR in the Asian context does not always coincide with what CSR means in a Western context, as it frequently tilts toward safety and quality rather than ensuring responsible conduct in foreign subsidiaries (CNPC 2008). As such, CSR in an Asian context often more represents reputation effects. As such, these have been studied and found to correlate with expected results, with companies with good reputations having fewer losses as well as more positive growth (Chih et al. 2008).

When looking for institutional differences, the temptation is to view the world as dichotomous, between East and West. Indeed, the effects of such a viewing are often large as the differences between environments can be striking, although this is often due to other institutional factors apart from the ones being studied (Li et al. 2001). Such East-West studies are common, and perhaps the region of study should be expanded.

What would justify examination of the Triad regions proposed by Rugman and Verbeke (2004) of Asia, America and Europe would reside not just the assumed institutional difference, but in the fact that most multinational enterprises conduct the majority of their transactions within their home region, with a few notable exceptions (Rugman and Brain 2003). This means that the effects of reputation should be insular to those regions, allowing reputation and firm performance to twin as they should theoretically, without mixing Europe and America into the amorphous 'West.' This way each of the three regions may be compared against the others.

DATA ANALYSIS

From the data of the Fortune's Global 100 in 2008, the firms with the highest revenue in the world, the data set will be split according to home country of the multinational enterprise, allowing for an n of 13 Asian MNEs, 45 European MNEs and 30 American MNEs. This data will then be used to test two, non-mutually exclusive, hypotheses.

Hypothesis 1: Reputation will affect firm performance differently

Hypothesis 2: Reputation will positively affect firm performance regardless of region.

A hierarchical regression was run on the data from the firms, with firm performance measured by profit in the 2008 year end and used as the dependent variable. Firm size was controlled using number of employees, as was industry. The independent variable, as discussed before, was the reputation variable

given by Fortune of its Most Admired Companies, as compiled through their survey of businesspeople.

Table 1. European Firms

Model	Variable	B	Beta	t
1	Size	0.003	0.036	0.224
	Industry	1068.816	0.298	1.862†
2	Size	0.002	0.021	0.134
	Industry	669.278	0.187	1.104
	Reputation	3146.195	0.275	1.732†

The results for the region of Europe show marginal support for reputation as an indicator of firm performance. The ANOVA test of fit was marginally significant (>0.10). The total effect, measured by the adjusted r^2 was 0.099 with a r^2 change of 0.061 when the control variables were factored into the equation.

Table 2. American Firms

Model	Variable	B	Beta	t
1	Size	0.002	0.037	0.203
	Industry	1904.679	0.352	1.923†
2	Size	0.008	0.126	0.691
	Industry	1519.914	0.281	1.567
	Reputation	8248.616	0.336	1.869†

The results for the region of America also show marginal support for reputation as an indicator of firm performance. The ANOVA test of fit was marginally significant (>0.10). The total effect, measured by the adjusted r^2 was slightly higher, at 0.145 with a r^2 change of 0.103 when the control variables were factored into the equation.

Table 3. Asian Firms

Model	Variable	B	Beta	t
1	Size	-0.001	-0.021	-0.068
	Industry	-393.948	-0.316	-1.051
2	Size	-0.002	-0.071	-0.481
	Industry	-769.465	-0.617	-3.972**
	Reputation	5765.955	0.894	5.760***

The results for the region of Asia paint a different story than those of the prior two regions. Results show strong support for reputation as an indicator of firm performance. The ANOVA test of fit was significant (>0.01). The total effect, measured by the adjusted r^2 was 0.744 with a very strong r^2 change of 0.708 when the control variables were factored into the equation.

THEORETICAL INTERPRETATION

Institution-Based View

Under the Institution-Based View (North 1990; Peng 2002; Scott 1995), the institutional landscape should also include ways for reputation to be part of a society's informal or formal institutions, depending upon how a society relates to reputation. According to hypothesis one, reputation will affect firm performance differently, leading to understanding of reputation as an institution whose institutional environment varies across region. This hypothesis was partially supported, given that the results from the Asian region were different from those of the European or American regions.

It should be noted that the institutional landscape is not synonymous with culture, although culture can be viewed as an institution. The institutional landscape is made up of all the "humanly devised constraints that shape human interaction" (North, 1990), and although culture certainly is one of these, there are more formal institutions, such as laws and economic systems which also are included.

From an institutional landscape, reputation can be seen to be supported by informal institutions, such as word-of-mouth (Hong and Yang 2009). As informal institutions are more prevalent in the "East" or the Asian Triad (Peng 2002), it would seem that under the institution-based view that with this sample taken during an economic downturn, informal institutions hold more strongly than formal indicators used in the "West" or the European or American Triads.

Resource-Based View

The second hypothesis was that reputation is a sustained competitive advantage and will positively affect firm performance regardless of region. This is also partially supported, as across all regions reputation positively and significantly, albeit marginally in two cases, affected firm performance. However, there is more to this hypothesis than the data analysis, as reputation also must meet the four requirements Barney (1991) presented for a resource to be considered a sustained competitive advantage.

The first requirement, under Resource-Based View (RBV) for a potential resource to be a sustained competitive advantage would be that the resource has value. Not only has reputation been linked to positive financial performance, it has also been linked to an increase in effectiveness of sales representatives (Dowling, 2001), and the ability to attract the best human resources (Greenwood et al. 2005). Dowling (2001) also noted that with regards to the second cri-

teria, rarity, that reputation is a resource that not every firm commands.

Regarding the third requirement under RBV, inimitability, reputation seems to fit. Roberts and Dowling (2002) state that reputation's intangible nature can make such replication difficult. With a nod toward substitutability, Hall (1992) notes that while fame can be purchased and used short-term, that esteem, or reputation, has to be earned over time and can also last longer than the short-term burst purchased fame would grant.

The summation of meeting the established rules (Barney 1991) of value, rarity, inimitability and lack of substitutability would seem to yield firms possessing a positive reputation a sustained competitive advantage, inasmuch as they are given a resource that will last until that resource is no longer of value within the industry, or until they act in a way to counter their resource. Mahon (2002) argues that the result is the same, although the path to which reputation becomes a competitive advantage is one which is influenced more through the actions of the firm and its stakeholders. It is this source of distinctiveness (Fombrun and Van Riel 2003) which makes reputation fit so well under the aegis of RBV.

GENERAL DISCUSSION AND IMPLICATIONS

That reputation functions differently across regions, cultures and national boundaries is to be expected by students of institutional theory and the institution-based view. This finding, combined with the substantiation of RBV across regions, cultures and national boundaries serves to broaden the depth of the reputation field incrementally, building on the international work in reputation already completed by many researchers (Ang and Wight 2009; Hong and Yang 2009; Mahon 2002; Sanchez and Sotorrio 2007).

Just as merits were found in the use of culture as a variable within both the Institution and Resource-Based Views (Li et al. 2001), there are merits for both when considering reputation. The institutional environment of reputation would be supported as formal institutions in Asia which provide indicators of reputation seem to mark performance more than informal ones. And as there appears to be an institutional landscape for reputation, so too can reputation be viewed as a resource, or sustained competitive advantage by which firms can distinguish themselves and earn above standard rents.

Immediate future research should consider the Fortune Global 500 as a sample set, and should do so in multiple years to determine if effects vary from year to year, or are an artifact of a small sample set. By adding multiple years, one could also gauge a

potential relationship lag between performance and reputation. A larger sample set would also allow for the addition of more controls, beyond size and industry, which would be needed to assume any sort of real relationship. In addition, abnormal stock returns may wish to be considered as a proxy for firm performance instead of a simple measure of firm profits to gain a more complete understanding of reputation on firm performance. Assuming that they hold steady for both assumptions, future research defining the institutional environment of reputation regionally and nationally would not only be interesting, but necessary to develop a more complete theory of international reputation. Additional research on dividing up the reputation of MNEs when they are operating outside of their home region, and noticing effects of disparate reputations of particular MNEs across regions would be instructive as well. For these, simply using the Fortune Most Admired list will not suffice, and reputation would need to be measured independently.

Finally, the implication for business is twofold. From the lesson of the second hypothesis and RBV, firm reputation is potentially a sustained competitive advantage globally, and one that should be cultivated by firms to distinguish themselves for the purpose of acquiring rents. Additionally, from the first hypothesis, firm reputation may be affected by different indicators depending on the environment where the firm is doing business. While this may not provide the firm with operational instructions, it can serve as a caution when doing business international, especially if the firm relies on reputation as a sustained competitive advantage.

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PROMOTING COUNTRY INVESTMENT THROUGH THE INTERNET: A CONTENT ANALYSIS

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ABSTRACT

This article presents the preliminary results of a content analysis of web sites of several investment promotion agencies' (IPAs) that market a country to attract foreign direct investment. We looked at the web sites of IPAs from different countries at different stages of development to ascertain whether some level of homogenization has been achieved, given that all of these sites compete for the same pool of potential venture capital. The IPAs were selected from a list geographic regions generated and agreed upon by experts at our university. Our unit of analysis was the main (or home) page of an IPA's web site.

Content analysis is a research method focusing on the quantitative, systematic, and objective description of the content of communication. The use of content analysis for our particular research situation is supported by several previous studies of the Internet in which content analysis was shown to be a functional research method for analyzing online marketing communication messages.

To use content analysis, the content (information) in a web page needs to be codified in order for the researcher to identify the salient characteristics of the electronic communications via a website. This codification is critical; the development of a code sheet that is comprehensive and mutually exclusive is one of the most important components of any content analysis, including ours.

The preliminary findings represent the point of departure for a more in-depth analysis of the specific value-adding factors being used in web sites for IPAs. The next stage of this project will focus on this, and on determining any patterns in the use of value-added factors in home pages of the sampled IPAs.

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ONLINE VERSUS TRADITIONAL NEWS SOURCES: A STUDENT PERSPECTIVE

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ABSTRACT

This paper, based on a survey of 282 respondents at an East Coast liberal arts college, examines student attitudes and behaviors towards use of news sources, preferences toward these sources, economic and purchasing behaviors, and directions for the future of these media sources.

INTRODUCTION

Today's college students are flooded with an overwhelming number of forms and sources of accessing the news media, ranging from print publications and television to the Internet. This paper examines current student patterns in news consumption as well as their concomitant purchasing behavior, as a trend indicator for the future of news media channels, using a campus survey to assess current student attitudes.

College students constitute an especially important population in which to study news consumption behavior (Diddi & LaRose 2006), who are often beginning to establish news consumption patterns which they will have for their lifetime (e.g., Al-Obaidi, Lamb-Williams & Mordas, 2004; Barnhurst & Wartella, 1998; Schlagheck, 1998). Many media and new sources selectively target college students (Barnhurst & Wartella, 1998). During their college years students first come of age as voters, long-lasting political beliefs are shaped (Chaffee, Ward & Tipton, 1981; Langton, 1969; Newhagen, 1994) and patterns of news consumption that may persist for a lifetime are formed (Henke, 1985; O'Keefe & Spetnagel, 1973; Vincent & Basil, 1997). Studies by Okeefe & Spetnagel (1973) and Henke (1985) also revealed another important factor – a corresponding pattern of increasing news media use and an increased perception of news media's importance with an increase in one's year in college.

Henke (1985) reported that college students are in the midst of an important period of socialization to the news media during a dramatic, yet predictable change in their lives. College students are unlearning standards developed in their formative years, developing sex-roles and defining future roles, growing more independent, and moving toward establishing close relationships with peers, (Bowerman & Kinch 1959; Campbell 1969; Cobb 1986; Faber, Brown & McLeod 1979), while at the same time anticipating their full-time entry into their chosen professions.

Parker and Plank's (2000) study of media consumption by college students reported on the upward trend and increased importance of the Internet as a news and information source. Althaus and Tewksbury (2000) asserted that the Internet use is woven into the fabric of their daily lives and that student communities use the Web for news as well as entertainment. A national survey of media consumption found a substantial gain for Internet use between 1995 and 1999 (Stempel et al, 2000), and more recently a Pew Research Center study (2008) reports that 59% of Americans younger than 30 obtain most of their news online.

Diddi & LaRose (2006) asserts that college students may differ from the general population in news consumption because of the availability and access to the Internet, college newspapers, and other news sources at the library. Additionally, college students are not consuming news at the rates of older people and are less likely to read newspapers and watch network news (Bennett, 2000; Pew Research Center, 2002). According to the Pew Research Center, college students are more interested in following sports and entertainment news and are more likely to be "news grazers," who check news at regular intervals but do not have a particular time for detailed news consumption.

Consistent with the finding of others such as Stempel et al. (2000), Levins (1998), and Parker and Plank (2000), Diddi & LaRose (2006) indicate that college students rely on the Internet for obtaining news, but that as of this 2006 study "no evidence emerged that college students are abandoning traditional media for the new media forms" Rather, as initially argued by Stempel et al. (2000) and Holbert (2005), traditional and new media seem to be serving as complements to each other. Against this context, in an era where print media and its concomitant revenue sources have been declining, this study was designed to explore current attitudes and preferences of college students as the next generation of educated news consumers.

METHODOLOGY

A paper survey was administered to students at a liberal arts college on the East Coast during the fall term of 2009, containing 32 questions developed by the author assessing student attitudes toward news consumption, use of online versus traditional news channels, willingness to pay for news sources, and the impact of these news channels on purchasing behavior together with demographic information. The full survey is listed in Appendix A, and its questions were organized using a mix of response types as follows:

- Demographic questions included year of graduation, full versus part-time status, declared major, and gender.
- Questions on where students sought world/national and local news, as well as which of these were primary sources
- Questions on the use of hardcopy and online newspapers, willingness to pay for these services, reasons for purchasing them, and the amount respondents would be willing to pay.
- Whether students purchased goods or services over the past year as a result of advertising in online or offline news media, and how much was spent.
- Questions on an appropriate amount of time to be spent using online and offline news sources.
- Qualitative questions asking students to describe their expectations for news source, the strength of these expectations, and the one thing that would most improve each of the following news sources: newspapers, television, radio, news magazines, and Internet news sites.

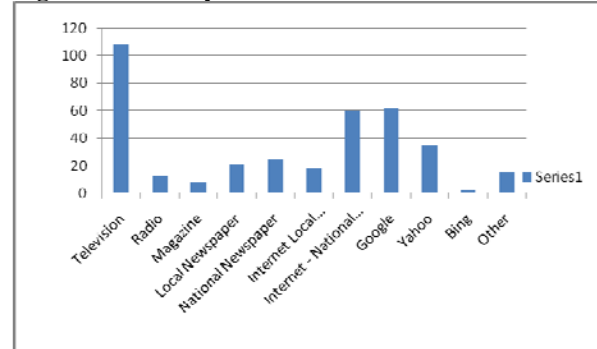
Results from the survey questions listed above were then coded as quantitative values as specified by respondents, and a content analysis was performed on the qualitative questions to quantify these responses. This content analysis grouped these responses into specific categories for reporting, respectively, including "Other" and "No response."

The 282 survey responses received had a distribution ranging from 17 to 28 percent of respondents from each undergraduate class, with a 75% to 25% ratio of females to males. Academic majors of respondents were skewed toward business and economics, encompassing management and marketing (21%), with other major clusters including nursing (8%), psychology (6%), history (6%), and speech and language (5%). Key result samples did not vary significantly according to demographic information such as gender, major, or class year.

RESULTS AND DISCUSSION

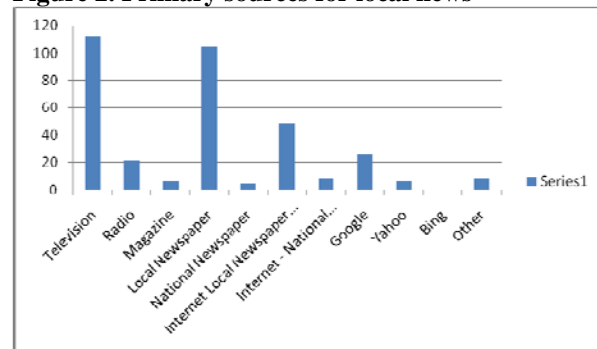
The current generation of students views the Internet as its primary source for national and world news, tracking trends toward the decline of traditional media in these areas. 178 respondents (63.1%) chose an Internet medium as their primary source for such news, versus 109 (38.7%) for newspapers, and no more than 25 for any other medium, as shown in Figure 1.

Figure 1. Primary sources for national/world news



Conversely, local news remains the domain of traditional media by a factor of more than two to one, as shown in Figure 2, with only 89 respondents (31.6%) using Internet media as their primary source versus 113 for television and 104 for local newspapers. Of the Internet respondents, over 55% used an online local newspaper as this primary source.

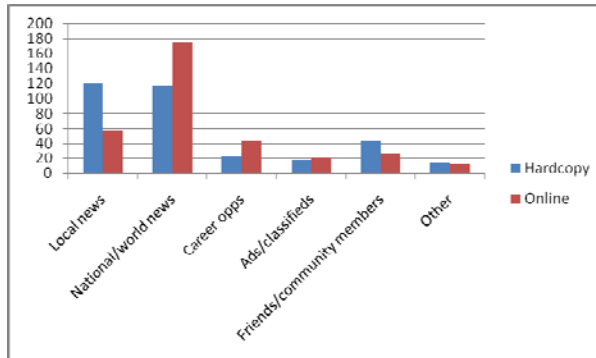
Figure 2. Primary sources for local news



There are also substantial differences in primary reasons for using hardcopy versus online news sources, as shown in Figure 3. Students prefer hardcopy media for local news as well as learning about friends and community members, the former by a factor of more than two to one, while they prefer online media for national/world news and career opportunities, with similar preferences for access to advertising and classified ads. Given the relatively recent history of Internet news channels, however, an important background

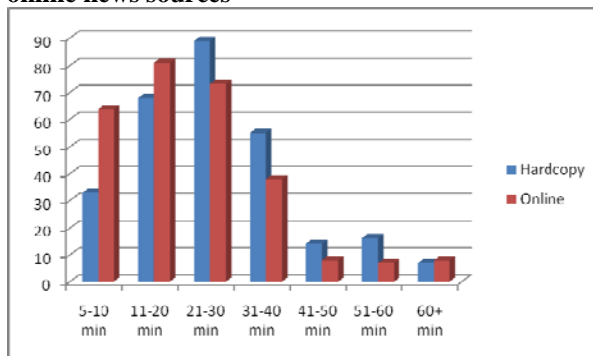
story is the rapid growth of Internet channels in each of these areas relative to the traditional news media.

Figure 3. Primary reasons for using hardcopy and online news sources



The amount of time spent using these news sources confirms the findings of the Pew Research Center (2002) of students as "news grazers" as they increasingly adopt the use of online news channels. Figure 4 shows an increasing percentage of students spending shorter amounts of time reading online news, with nearly twice as many online uses (64 versus 33 respondents) spending ten minutes or less reading the news, and fewer online users spending 30 minutes or more versus hardcopy users.

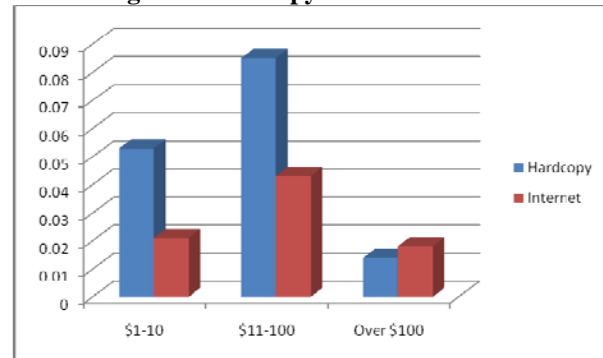
Figure 4. Amount of time spend using hardcopy and online news sources



These survey results also cemented the reality that Internet news sources are seen as a free, advertiser-supported resource, with only 2 out of 282 respondents currently paying for access to an online newspaper, and less than 10% expressing a willingness to do so after graduation. Of those willing to pay, all but three respondents would pay no more than \$20 per month, with more than half (63 out of 109 respondents) willing to pay no more than \$10 per month. Conversely, the majority of respondents currently pay for newspaper subscriptions or obtain such newspapers from a paying secondary source, with 153 respondents (55%) planning to pay for a subscription following graduation.

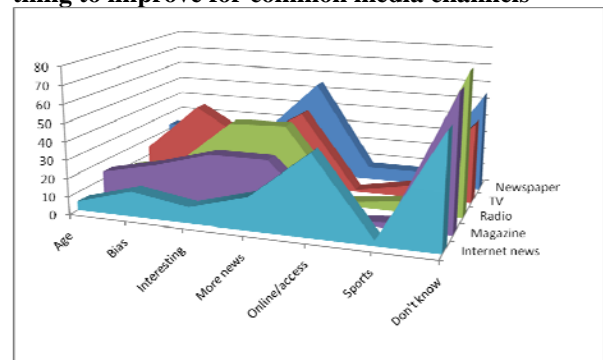
Given the reality of an advertiser-supported Internet news channel for the immediate future, it is instructive to look at student purchasing behavior as a result of Internet versus traditional news channels. 17.4 percent of students purchased products as a result of advertising in hardcopy newspapers, versus 9.2 percent of those using online news sources. However, a higher percentage of Internet users made purchases totaling more than \$10 (74% versus 65%) and more than \$100 (21.7% versus 9.3%) compared with those using hardcopy news sources, as shown in Figure 5.

Figure 5. Purchases over past year as a result of advertising from hardcopy and online news sources



Examining the single most important thing to improve for each media source for their generation, there was a very clear split between how students currently view online versus traditional news sources, as shown in Figure 6. A content analysis of the respondents' answers broke these responses down into categories of more age-appropriate news, less bias, more interesting content, more news content, online availability (or better accessibility for Internet media), and more sports, as well as a broad range of other responses.

Figure 6. Content analysis of single most important thing to improve for common media channels



Students rated bias as a much bigger problem in most traditional media, with 24 (8.5%) and 42 (14.9%) respondents citing this for newspapers and television respectively, versus only 14 (5.0%) for Internet news

sources. Substantially fewer also rated Internet news sources as needing to be more interesting or provide more news, by a factor ranging from 0.6 (18 versus 30) to 0.2 (9 versus 41). Conversely, the greatest area for improvement in Internet news was accessibility, with 44 (15.6%) of responses.

CONCLUSIONS

This survey data provides some important conclusions relative to student attitudes and behaviors toward news media channels, which in turn points toward trends for the future of these channels. Key findings include the following:

- There is a saying that "all news is local," and local news remains the domain of traditional news media; however, online media channels have made strong inroads in this area, particularly online editions of local newspapers.
- Internet-based channels have come to dominate all other media as a source for world and national news as well as other areas such as career opportunities.
- The free, advertiser-supported model for most current Internet news channels, an issue that is often discussed as part of the decline of print media in particular, appears to be here to stay for the foreseeable future. While many students expressed annoyance at excessive advertising or pop-up ads as part of their qualitative survey responses, many fewer expressed a willingness to pay for access to such channels, versus the traditional subscription model of print media.
- Conversely, the quality of access to the Internet remains an issue for the majority of students. Accessibility concerns, ranging from ease of use to the quality of Internet connectivity, are far and away the major area for improvement seen by students for Internet news channels.
- While bias and the quality of news content are among the biggest concerns overall for students with news media channels, they have a much higher level of trust and satisfaction in this areas for Internet news channels.

Taken together, these trends point to an increasingly on-line world of access to news providing more information while catering to shorter attention spans, with the potential for growth in purchasing behavior among its users. Areas for future research include exploring larger sample sizes as well as tracking the changes of these preferences over time, particularly as students reach adulthood, enter careers and family life,

and gain in purchasing power. By understanding what has become a radical evolution in our needs for news and information, we can successfully engage the media industry and help it evolve to meet these needs in the future.

APPENDIX: SURVEY CONTENTS

1. What year did or do you expect to graduate from college?
2. Are you a full-time or part-time student?
3. What is your major?
4. What is your gender?
5. In the past twelve months, where did you seek information or assistance for world/national news? Check all that apply: (Television, Radio, Magazine, Local Newspaper, National Newspaper, Internet – Local newspaper on-line, Internet – National newspaper on-line, Internet – Google, Internet – Yahoo, Internet – Bing, Other)
6. If you do seek information or assistance, what do you consider to be your primary source for information or assistance for world/national news? Check one: (Television, Radio, Magazine, Local Newspaper, National Newspaper, Internet – Local newspaper on-line, Internet – National newspaper on-line, Internet – Google, Internet – Yahoo, Internet – Bing, Other)
7. In the past twelve months, where did you seek information or assistance for local news? Check all that apply: (Television, Radio, Magazine, Local Newspaper, National Newspaper, Internet – Local newspaper on-line, Internet – National newspaper on-line, Internet – Google, Internet – Yahoo, Internet – Bing, Other)
8. If you did seek information or assistance, what do you consider to be your primary source for information or assistance for local news? Check one: (Television, Radio, Magazine, Local Newspaper, National Newspaper, Internet – Local newspaper on-line, Internet – National newspaper on-line, Internet – Google, Internet – Yahoo, Internet – Bing, Other)
9. How often do you read a hard-copy newspaper: (Daily, 2-3 times per week, Once a month, Once a year, Never)
10. How often do you read an on-line newspaper: (Daily, 2-3 times per week, Once a month, Once a year, Never)
11. Do you pay for an online newspaper? (Yes, No)
12. Do you pay for hard-copy newspapers? (Yes, No - don't use, No - read from secondary sources)
13. Do you have a subscription for a daily hard-copy newspaper? (Yes, No)
14. When you graduate, do you expect to purchase a subscription for a daily hard-copy newspaper? (Yes, No)
15. When you graduate, do you expect to purchase a subscription for a daily online newspaper? (Yes, No)

16. Why would you purchase a hard-copy newspaper? Check all that apply: (Gain information on local news, Gain information on world/national news, Gain information on career opportunities, Gain information on items for sale, See friends or community members listed in the paper, Other)

17. Which of these is the main reason you would purchase a hard-copy newspaper: Check one: (Gain information on local news, Gain information on world/national news, Gain information on career opportunities, Gain information on items for sale, See friends or community members listed in the paper, Other)

18. Why would you use an online newspaper: Check all that apply: (Gain information on local news, Gain information on world/national news, Gain information on career opportunities, Gain information on items for sale, See friends or community members listed in the paper, Other)

19. Which of these is the main reason you would use an online newspaper: Check one: (Gain information on local news, Gain information on world/national news, Gain information on career opportunities, Gain information on items for sale, See friends or community members listed in the paper, Other)

20. How much would you be willing to pay (\$) per month to subscribe to an on-line newspaper: (If not willing to pay, specify "0")

21. Have you purchased products advertised in a hard-copy newspaper over the last year: (Yes, No)

22. How much did you spend (\$) last year to purchase products advertised in a hardcopy newspaper over the last year: (If no purchases, specify "0")

23. Have you purchased products advertised in an on-line newspaper over the last year: (Yes, No)

24. How much did you spend (\$) last year to purchase products advertised in an online newspaper over the last year: (If no purchases, specify "0"):

25. What do you feel is an appropriate amount of time to spend reading a hard-copy newspaper: (5-10 minutes, 11-20 minutes, 21-30 minutes, 31-40 minutes, 41-50 minutes, 51-60 minutes, More than 60 minutes)

26. What do you feel is an appropriate amount of time to spend reading an on-line newspaper: (5-10 minutes, 11-20 minutes, 21-30 minutes, 31-40 minutes, 41-50 minutes, 51-60 minutes, More than 60 minutes)

27. I expect my news source to be: (list three things, and rate each Strongly Agree, Agree, Disagree, or Strongly Disagree)

28. As a college student, what is the one thing that would most improve newspapers for your generation?

29. As a college student, what is the one thing that would most improve TV news for your generation?

30. As a college student, what is the one thing that would most improve radio news for your generation?

31. As a college student, what one thing would most improve news-magazines for your generation?

32. As a college student, what one thing would most improve internet news sites for your generation?

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AN INVESTIGATION ON ONLINE REVIEW MANIPULATION

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ABSTRACT

As consumers become increasingly reliant on online reviews to make purchase decisions, a product's success depends on the word-of-mouth that it generates. Hence, there are attempts by vendors and/or firms to manipulate online reviews to increase sales. Despite the existence of online review manipulations, there are few literatures in detecting such manipulations. We explore the online reviews in Amazon.com to investigate manipulations by constructing an analytical model and evaluate the results based on various text mining methods. We document that the comparison of mean (or variance) of writing style across reviews when rating decreases versus when rating increase provides some traces of manipulations. This suggests that textual data contained in reviews is useful in the assessment of online review manipulations.

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TOWARD DEVELOPING AN ONLINE INFORMATION SEARCH MODEL

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ABSTRACT

Despite being proclaimed as a consumer phenomenon, little attempt has been made to understand consumer information search processes on the Internet. Through a study where consumers undertake an online search task, we seek to explore whether the same factors that have been found to influence traditional information searches also influence Internet-based information searches; and whether the direction of the relationships between the antecedents and information search in the offline realm the same as those between the antecedents and information search in the online environment. We propose an overall model of information search, and find that perceived risk and perceived cost do not significantly contribute to online information search effort. However, both these traditionally important antecedent factors significantly affect satisfaction. Moreover, we also find that enjoyment significantly impacts satisfaction. This implies that marketing managers must ensure consumer enjoyment when they visit their Websites so that the consumers would be more likely to explore the website for more information and possibly to make a purchase. Limitations, further implications, and direction for future research are discussed.

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IT SECURITY – A CHALLENGE TO THE WORLD OF BUSINESS

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Nabarun Ghose, The University of Findlay*

ABSTRACT

IT security has become the most important and unavoidable issue as the modern technology progresses to put the world at our fingertips. Internet has become easy to reach out to any information in the world within minutes and seems to be just one click away from us. No matter how many solutions are provided there always seems to be a gap in maintaining the securities for long periods.

INTRODUCTION

Information or “data” as it is generally referred to, is not always secure. People try to break into even personal information that is meant to stay private. This phenomenon is common in banks and information that is used through credit and debit cards which transacting online for paying of bills and loans. When we send out such information through cyberspace, we cannot be sure of it being protected from those who wish to misuse it. Another criterion for concern in case of IT securities is destructing the normal performance of the computers through intruding physical security and through the attacks from external malicious programs like viruses, malware, spyware and hacking.

WHAT IS IT SECURITY?

All people and companies have a great deal of sensitive information that could be falling into wrong hands. Avoiding the usage of internet entirely does not seem to be a sensible solution. Internet has become a part of daily life and essential to compete in the business world. Keeping all your files on paper and in your fireproof safe may have been advisable some years ago but, in the current technological climate, it is just not feasible. IT is being used to automate business operations and to maintain a paperless office. Hence, safe guarding the data or information is a major challenge and the right security is needed to accomplish this.

Information Technology Security is an event or action that could cause a loss or a damage to computer system hardware, software, data, information or processing capabilities. Breaches either can be accidental (like users unaware

about dengor may access a URL received by spam and responds to some questions) or intentional (breaches by hackers and crackers).

Common information security risks include:

- ✓ Internet and network attacks
- ✓ Unauthorized access and use to information/data
- ✓ Software theft
- ✓ Information/data theft
- ✓ Service unavailable and system failure
- ✓ System crash

IT Security is about managing risk and risk is function of asses value, threats and vulnerabilities. The partial list of such assets are given below.

1. Router
2. Servers
 - a. Firewall Server
 - b. Intranet Server
 - c. VPN Server
 - d. Database Servers
 - e. Other Application Servers
 - f. HPC Server
 - g. Servers installed at Individual Departments/Sections
3. Computer systems / workstations installed in the offices of the end-users
4. Users Accounts

THREATS TO IT SECURITIES

Natural calamity (Earthquake, Cyclone, Flood, etc.)

Service failure or Utility loss(Electricity, Internet Bandwidth, etc.)
External or Environment related(Theft, Civil war/unrest, Change in rule, Medical emergencies etc.)
Network Congestion / Failure
Hacking or Network Intrusion
Software misuse
Human error or ignorance
Sabotage
Staff Shortage

Authentication and Access Control

Network security is the most important concept while implementing features of authentication and access control. Practices developed a few years ago still used to protect IT infrastructures even today. But these approaches might not always address the evolving needs and changing environments. A new technique, called the ANA (Authenticated Network Architecture), has emerged that promises much more dynamic options to address the increased mobility and diversity of today's network users.

Authentication is very important as it helps in allowing access to persons with genuine credentials to use the resources available in the local computer and internet as well. However, these try to break into accounts using these credentials through hacking and try to steal and destroy the valuable information.

Meaning of Access Control

Access control is the ability to permit or deny the use of a particular resource by a particular entity. Access control mechanisms can be used in managing

- a) physical resources such as admitting persons with tickets into the movie theater and
- b) logical resources like a person with a bank account is authorized to make a withdrawal, c) digital resources like a private text document on a computer, which only certain users are allowed to be able to read

WHY SHOULD WE USE FIREWALLS?

Firewalls play a central role in IT security, standing between enterprise networks and the outside world to protect computers, applications and other resources from external attacks.

Firewall can be defined as a part of a computer system or network which has been designed and

meant to block unauthorized access by intruders while permitting access to authorized communications. Firewalls are installed as a combination of both hardware or software and is used to prevent unauthorized Internet users from accessing private networks called intranets. The communications are made to pass through the firewall, which examines each message and blocks those which are found to cause a threat to the security of the system.

VULNERABILITIES

What is a virus?

A **computer virus** is a computer program that can copy itself and infect a computer without the permission or knowledge of the owner. The term "virus" is also commonly but erroneously used to refer to other types of malware, adware, and spyware programs that do not have the reproductive ability. A true virus can only spread from one computer to another (in some form of executable code) when its host is taken to the target computer; for instance because a user sent it over a network or the Internet, or carried it on a removable medium such as a floppy disk, CD, DVD, or USB drive. Viruses can increase their chances of spreading to other computers by infecting files on a network file system or a file system that is accessed by another computer. Today's viruses may also take advantage of network services such as the World Wide Web, e-mail, Instant Messaging, and file sharing systems to spread.

A computer virus may be categorized with one or more of the following four designations:

- Boot sector computer virus
- Master Boot Record (MBR) computer virus
- File infector computer virus
- Macro computer virus

Trojans

A Trojan is a program that may appear to be legitimate, but in fact does something malicious. Trojans are often used to gain backdoor access - that is to say remote, surreptitious access, to a user's system. Trojans do not replicate as viruses do, nor make copies of themselves as worms do

Malware

Malware is an abbreviated term used to describe a "malicious software" program. Malware includes things like spyware or adware programs, such as tracking cookies, which are used to monitor your surfing habits. It also includes more sinister items, such as key loggers, trojans, worms, and viruses. Any type of code or program that is used for monitoring and collecting your personal information or disrupting or damaging your computer, may be referred to as malware. In fact, malware can be any type of malicious code, even if it has not yet been identified as a worm, Trojan, etc. Good anti-virus programs can be configured to scan email for any type of malicious or suspicious code, and alert you to its

Spyware

Spyware is a common jargon used on Internet and means **Advertising Supported software** (Adware). It is a way for shareware authors to make money from a product, other than by selling it to the users. There are several large media companies that offer them to place banner ads in their products in exchange for a portion of the revenue from banner sales. This way, you don't have to pay for the software and the developers are still getting paid. If you find the banners annoying, there is usually an option to remove them, by paying the regular licensing fee.

Hacking

The most prominent definition of hacking is the act of gaining access without legal authorization to a computer or computer network. A hacker first attacks an easy target, and then uses it to hide his or her traces for launching attacks at more secure sites. The goal of an attack is to gain complete control of the system (so you can edit, delete, install, or execute any file in any user's directory), often by gaining access to a "super-user" account. This will allow both maximum access and the ability to hide your presence.

Network Access Control

Network Access Control (NAC) is an approach to computer network security that attempts to unify endpoint security technology (such as antivirus, host intrusion prevention, and

vulnerability assessment), user or system authentication and network security enforcement.

SOLUTIONS TO IT SECURITY

Intrusion detection system (IDS) is software and/or hardware designed to detect unwanted attempts at accessing, manipulating, and/or disabling of computer systems, mainly through a network, such as the Internet. An IDS cannot directly detect attacks within properly encrypted traffic.

An intrusion detection system is used to detect several types of malicious behaviors that can compromise the security and trust of a computer system. This includes network attacks on vulnerable servers and applications, attacks such as privilege escalation, unauthorized logins and access to sensitive files, and malware such as virus, trojans and worms.

Vulnerability scanning

While it's important to link business networks to the Internet for the free exchange of information, an Internet connection also opens the door to potential security breaches by malicious attackers. Fortunately, there's a way to protect your network's susceptible areas. Vulnerability scanning uses technology to find the defects in a security system and tests the system for weak points. These scanning systems usually generate a report of their findings so that a business can use the information to strengthen its security. This type of scanning though intended to scan Internet-linked networks, can also be applied to assess the threats posed by false software or dangerous employees by conducting security audits on the system.

INTRUSION DETECTION SYSTEMS

Security Audit

Security auditing is the formal examination and review of actions taken by system users. This helps to find the efficiency of existing security measures, keeps a watch on system misuse or abuse by users, verifies compliance with current security policies, find evidences in case of crime, validate the documented procedures that are followed, and detect intrusions. Effective auditing requires correct data and undergoes reviews periodically.

CONCLUSION

IT Security has always proved to be a challenge to business. There arises an emergency for tightening the security for the essential data used in businesses. Hence, training on Information technology security is a must for individuals who are controlling, such data who are pursuing a career in the information security industry or who are brushing up on their skills. This is not an area that you can learn about once and then rest on your laurels. As you learn, you must keep yourself apprised of the latest developments and your system updated with the

most recent countermeasures. You have to keep improving your network and may well remember the timeless quote – “The price of freedom is eternal vigilance”.

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MARKETING AND COMMUNICATION: A CROSS-CULTURAL APPROACH

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ABSTRACT

In this article the necessary paths to an evolution of communication within marketing due to the actual international scenario are discussed. In particular attention is drawn to communication which arises from cross-cultural marketing and thus showing how we can deepen the distinction between culturally customized communication and cross-culturally customized communication.

INTRODUCTION

The evolution in society's make-up today which exists within individual nations and the consequent multiculturalism which is taking root, at least from the point of view of the co-existence of a plurality of races and cultures, and the concept of the global village has recently stimulated writings by several scholars (de Mooji 1998, 2005, 2009; Gannon 1994, 2001; Herbig 1995; Mantovani 2004; Napolitano, 2002; Semprini 2000). The migration of people from one state to another, linked to the search for better economic conditions and a better quality of life, has meant that today different cultures share the same market, something which cannot be ignored when defining new marketing and communication strategies.

It has been a long time since the "advertising and culture" theme has been an open debate; just think that, from 1995 to 2006, 106 articles¹ were published in the most important marketing journals. According to Zou's typology², the articles include: standardization vs. localization debate, consumer response to advertising, advertising content, social and regulatory issues, cultural values, issues related to integrated marketing communication and International advertising agencies and campaign management.

In the following discussion the necessary paths to an evolution of (marketing communications) will be presented with respect to the social and cultural changes which have taken place inside individual countries, which lead marketing and international marketing to converge towards a new and challenging discipline: cross-cultural marketing: defined by Tian (2001) as "a strategic process aimed at consumers whose culture is different from that of the marketers" and which considers the need to observe language, religion, social

norms, values, upbringing and way of life of those in question³.

The extra step introduced in the paper is a new conceptual base of cross cultural marketing, an extra personalization based on satisfying needs and insights, be they the technical services/operations or cultural respect for norms and values needs of consumers. According to such a dual means of understanding, it becomes possible to satisfy needs linked to core services of goods at the same time as services such as those connected to these and those connected to self-referential cultural values of the targets which are being both considered for "Aborigines" (traditional residents) rather than "Indigenous" (immigrants) targets.

In the present work two new concepts related to communication modality will be introduced: culturally and cross culturally customized communication.

In particular in the first part this work will analyze the implication for marketing, and show the need for item to cross over from mono to cross-cultural. The second part of the article will draw attention to communication which arises from cross-cultural marketing and thus showing how we can deepen the distinction between culturally customized communication and cross-culturally customized communication. As we know Hofstede (1991) distinguishes four expressions of culture: symbols, heroes, rituals and values : these four constitutive elements of culture are used as leading indicators to build the two matrices that identify culturally and cross culturally customized communication.

¹ Okazaki Mueller, International marketing review Vol 24 N, 5 2007 pp. 499 ,501.

² Zou S. Journal of advertising, Vol 34 N 1 2005 pp 99-110

³ Tian (2001) underlines, moreover, how such a strategic process 'demands empathy, a deep awareness of cultural differences and respect for the culture of consumers from marketing operators, in a local as much as an international level'.

EVALUATING CULTURAL DIFFERENCES IN MARKETING

Based on the considerations presented until now, it becomes difficult to sustain the idea that those involved in marketing and international marketing could succeed without a deep knowledge of the cultures of the countries they have chosen to target⁴. Parallel to this, the presence of diverse ethnicities and cultures, even within national markets, shortens the gap between the two disciplines we have mentioned. It leads us to operate in every situation with a unique perspective, that of cross-cultural marketing.

The famous slogan “It is good and good for you” runs the risk, in this new social context, of becoming obsolete unless it is taken again and personalized for the many cultures pervading the market. Such a statement brings us back explicitly to the principles that make up marketing, according to which the personalization of the good on offer customizing becomes a must if one wants to satisfy the real needs of consumers.

This kind of assumption is confirmed by Mantovani’s writings (2004), which maintains that we are the “‘other’ for ‘them’”, which implies the difficulty in being able to consider culture as a pure and homogeneous entity. This is a further demonstration of the importance of recognizing cultural diversity and specificity, and of developing as a means to avoid conceptualizing the diverse targets as “a homogenous print rather than their true image” (Habermas et al 1998).

Cultural difference, which may frighten marketers to the extent that they will be tempted to push once more for strategies involving standardization, ought to become a resource to be detected, selected, explained, developed, distributed and cherished⁵. Studying marketing mixes which satisfy needs linked to cultural differences is without a doubt onerous for a company⁶,

⁴ One of Herbig’s (1995) culture and marketing proposals refers to:

“One of the most important and difficult aspects in the managing of a business abroad is that of understanding the difference in perceptions, values and needs of that society. Given that marketing is based on the satisfaction of the needs and desires of the company’s clients, and that these needs and desires are based on culture, it’s important to understand the local culture very well.”

⁵ According to Napolitano (2002) “few companies take advantage of the differences of gender/ethnicity/religion/citizenship to individuate targets and specific marketing strategies; they manage ‘difference’ as a resource to be cherished. This leads to a paradox: managers try to seem different but with a marketing geared for a mono-cultural society.”

⁶ Napolitano (2002) observes that “companies limit time and costs by segmenting with an eye to seeing what is most economical and getting there first: whoever doesn’t fit the target

but turning such challenges into vectors of high economic value leads to advantageous and profitable positioning in niche markets (Cavallone, 2000).

An example of this position is proposed in the recent paper of Singh and Bartikowski⁷ in which they refer to some Hispanic-American characteristics including: “extended kinship system, emphasis on family, large family structure, prevalence of Roman Catholic faith, family and marriage stability, clear gender roles” all cultural features to be considered when the advertising agency creates its message.

HOW MARKETING CHANGES (FROM MONO TO CROSS-CULTURAL)

To deny the existence of cross-cultural questions and focus on the market, presupposing a cultural homogeneity in such a changed reality, would mean, as I see it, beholding only a fraction of the scene.

The view that we should work in a multicultural context will therefore be taken as given. In this case cultures integrate with and influence each other, creating values for individual clients and groups with suitable marketing mixes. Speaking of which, it is enough to make reference to Germany where the largest expatriate Turkish community to date has gathered (more than 3 million), which, beyond creating a real segment in the market, demands a personalized culture aimed specifically at it, and at the same time in an ethnic cultural way it influences and modifies the social composition of its host country. Nevertheless, “the Turkish-German way of life is often analyzed in the context of one or other national system of reference and therefore they’re deprived of their ‘either...or’ character” (Beck 2003). That does not mean we should limit ourselves to adopting a simple ethnic marketing approach which allows itself to undergo the attraction of diversity and to bring striking experiences to the consumer with a reduced risk of cross-fertilization and limited to a short period of time (Napolitano, 2002), but rather to work in a different framework; that is to say, a framework which arranges products and services on the basis of cultural customization.

Terms such as identity, race, norms, values, social behavior and ethnicity in this way become the new pillars on which we build a steady marketing strategy into which we can drop elements of contributions and communications.

perfectly has to adapt themselves, diversity becomes the cause of diversity and exclusion.”

⁷ A cross cultural analysis of print advertising targeted to Hispanic and Non Hispanic American Consumer pp. 154-155.

CULTURALLY CUSTOMIZED COMMUNICATION

The path of culturally customized communication leads to a specific personalization of the message on the grounds of the cultures present in the market and multiply in relation to these. There are many examples of outdoor advertising, ads in the subway which target expatriate audiences, in their mother tongues, such as ads for money transfers to their countries of origin. Done in various ways according to a common idea, these messages show people with features and dress which are generally associated with the home countries and with the translation of the “pay off” in the appropriate language. Such a personalization is cultural and not cross-cultural, and it targets a given niche, but does not exploit common elements of other cultures present in the context, unless by default. From an economic point of view the return on the communications investment can be lower, though it has focused on one target, without having made the most of cross-cultural economies which come into being when the same message is sent out across several targets/cultures (Table 1).

Table 1. The matrix of culturally customized communication

	Undifferentiated Message	Culturally customized message
Aborigines (Cultural manifestations: “a”, “b”, “c”, “d”)	A	A1 = f(“b”, “c”)
Indigenous (Cultural manifestations: “a”, “z”, “v”, “d”)	A	A2 = f(“z”, “v”)

The matrix has to be contextualized with the various target groups in the public which are present in a multicultural market with the object of making the most of differences and adding them up. Beyond messages (old and new) the various targets present in the market are considered in this way, subdividing themselves into those which refer to the ‘Aborigines’ (traditional residents) and those for the ‘Indigenous’ (immigrants), where the terms ‘resident and immigrant’ are understood either in a geographical (origins or outsider-ness to a nation) or cultural (belonging more or less to a culture) way.

Let me try to describe such a process with an example. We suppose that the culture of the target ‘Aborigines’ is characterized by displays “a”, “b”, “c” and “d”, and that of the Indigenous target by the expressions “a”, “z”, “v”, “d”. We can already see that “a” and “d” are in common to the two cultural groups.

A first hypothesis of communications turns to the two targets and is linked to the idea of an undifferentiated A message which is put into action without borrowing anything particular from cultural spheres. Such options, which can be linked back to mass marketing, try for the most part to “push for a ‘media’ communication – which therefore somewhat pleases and displeases everybody - defining a widened covering spectre of consumer demands and preferences” (Mattiacci, 2000).

With this kind of message the company can communicate to its target the benefits of the offer, giving evidence of the characteristic merchandise rather than the economic advantages of its use. An example taken from the world of detergents and summed up in the remarkable slogan “washes so white that you can’t get any whiter” confirms for us that the benefits linked to the use of the product refer to its (declared) excellent performance.

In contrast to this, it is possible to set in place a cultural customization of communications, declining it in the two versions here, A1 and A2, which are brought about in function of the expression of culture which characterizes and distinguishes the two public objectives, which is as good as saying the expressions “b” and “c” for Aborigines and “z” and “v” for the Indigenous.

This modality, which can seem limited and obsolete, if one thinks of a heterogeneous and multicultural audience, represents the custom according to which ad campaigns were made up until recently. Such a modality refers back to the classic in country communications where cultural personalization is linked to values present in the Aborigines, or the same communications are personalized in a foreign way, introducing changes linked to the nation in question.

An example of the way in which the same message can be personalized in a foreign version, giving it a whole new interest for the country in question is Aspirin. In the Greek version of Bayer Aspirin advertisements, the use of cultural symbolism is clear, in as much as the TV ads always featured the white and blue of the national flag. The same goes for the product’s advertisements in Korea in which the red and blue of their flag was used.

The various combinations in the matrix allow us to study a contact according to various modalities based on the context and according to the cultures present in the target country of culture present on the inside of the specific target.

Holistic market communications sees functions as choices of segmentation, that is, as decisions to communicate alternatively with one or more targets at the same time. To this end, following the above illustrated model, a company will personalize and adapt its communications based on the number of targets in its sights.

Customized cross-cultural communication

The second communicative modality results in more complex actuation, but is more strictly referred to cross-cultural philosophy. In cross-cultural communications, a single message is created which is capable of crossing various cultures, stressing their common elements in order to encompass all cultural targets. This clearly is not about a return to mass marketing, which, having understood the present cultural fragmentation inside an individual country, sets about individualizing the widest and most profitable segments with respect to those already culturally customized which, on the contrary, are progressively curtailed.

Let us go back to the previous diagram with the 'Aborigines' and the 'Indigenous'. Rather than culturally customized communication, the company can opt for a cross-cultural personalization, taking advantage only of message B which tends to emphasize cultural expressions which seem to be in harmony with the public good, which means the expressions "a" and "d" (Table 2).

Table 2. The matrix of cross-culturally customized communication

	Undifferentiated Message	Culturally customized message
Aborigines (Cultural manifestations: "a", "b", "c", "d")	A1 = f("b", "c")	B = f("a", "d")
Indigenous (Cultural manifestations: "a", "z", "v", "d")	A2 = f("z", "v")	B = f("a", "d")

An example of cross-cultural communication is represented by Coca Cola's Applause ad in Argentina and Italy which has "Life is how you take it" as its slogan, and which is broadcast in both countries with only the national language being modified.

In the short film, punctuated by the rhythm of an applause which is sustained and articulated, we see various scenes of daily life among which are a young lad who brings flowers to a girl, the people in the apartment blocks who follow the scene, deliberating over it, and a few company employees in shirt and tie who are applauding near a beach. The applause seems to confirm the cultural significance of the ad's message by asserting the goodness of the choices made and the situations lived.

In effect such ad campaigns are cross-culturally customized because inherent in them are rituals, symbols and values which can be understood as much in Argentina as in Italy: youthful courting, participation

and feelings, freedom. It could be aired in any country, not necessarily Spanish-speaking, in which such values are present and recognized.

There are a number of examples of TV ads based on the Latin people's shared passion for soccer Nike ads tie together Italians and Spanish, and feed off of the known popularity and recognizability of modern soccer heroes like Beckham and Maldini. These are clear example of cross-cultural communication.

The obvious difficulty inherent in the study of diverse cultures, when present in a single country, and in the identification of common elements which have to be transposed to different targets using the same messages. It is not about difficulty of a merely creative nature, but of the responsibility of researchers to understand these various cultures.

I would add that the approach adopted by companies often results in a kind of ethnocentricity. Research on a culture is planned and led by people who belong to the same culture, and who often are not aware of, or do not understand other cultures well enough, interpreting the results only on the basis of their own norms and values⁸.

Thanks to this auto-referential mechanism inherent in our understanding of the world, people often tend to see what they wish to see and not to perceive that which they do not manage to see, since it is indecipherable to them, not being based on a past experience (selective perception)⁹. Right across the board of things we have discussed, symbols, values, rituals and heroes, culture acts as a synthesizer, as a filter, and leads

⁸ Costa's view (1995): "today, the *great part* of publications on cross-cultural marketing and the behavior of the consumer is ethnocentric and methodologically weak. Ethnocentric studies are research on a culture shaped and conducted by people belonging to this culture."

⁹ "Perception is the process by which each individual chooses, organizes and values the stimuli coming to him from his surroundings with the aim of providing meaningful experiences to himself. Selective perception means that people focus in on certain characteristics of their surroundings to the exclusion of others."

That which a person sees is a function of what he has been taught or learned to see over the course of his growth. Perceptive models are learned and determined by culture as are inasmuch as this coherent: it's clear that ones sees what one wants and one can't see what one doesn't want to see because it doesn't fit into the ambit of one's own experience. A person's experiences lead to see the world in a certain way; its interests, values, and culture act as a filter and lead to distort, neutralize and *also* create that which is chosen to see and feel: people perceive that which they expect to perceive. They perceive based on their cultural maps and outlines. They get confused when things seem different from what they expect and in this way they can draw erroneous conclusions.

people to distort, neutralize and create whatever they choose to see or hear.

To increase the effectiveness of cross-cultural communication, it is necessary to take another step which brings us from a static analysis of the state of the arts and elements shared between cultures, to a dynamic one which considers a double actualization. Such an actualization, which is done with the same modality be it with regards to Aborigines or Indigenous, and refers to the social evolution and to the styles of life which influence it in behaviour. In other words, the various targets have to be examined according to their evolution, linked also to social cross-fertilization and to things that arouse the desire to emulate. (Veblen, 1899).

CONCLUSIONS

Communication in a multicultural context is at a crossroads: it either becomes cross-eyed and informs “Aboriginals” and “Indigenous” with a model which has social divergences and convergences in common, or it creates a common base which gets specified with a cultural personalization for individual targets. The new perspective that issues from this, therefore, makes it necessary to define culture and analyze its components. Communication incorporates wide systems of cultural meaning, and reflects among other things the way people think, what stimulates them, how they relate to others and all the diverse manifestations of culture¹⁰. An inadequate knowledge and understanding of cultures on the part of those who work in marketing, first and foremost, and, after that, people who work in any creative environment, can lead to serious errors in the development of messages intended for a multicultural public.

Having put all these core issues into discussion, gathering together all these ideas and problems, working in the perspective of marketing and cross-cultural communication becomes a new and expensive challenge, as much for our discipline, as for the managers who apply it in their companies. We are convinced, at the same time, that such a category of customization can produce a concrete and durable competitive advantage which will manage to take off and allow the above cross-cultural concepts to be applied. The consumer,

¹⁰ Napolitano (2002) gives us the following subdivision between elements of visible and invisible differentiation:

- the visible: genres, races, pigmentation, age, handicap, sicknesses, anorexia, obesity, religion, use of drugs and alcohol, social position, height;
- the invisible: sexual appurtenances, religion, philosophy, political beliefs, social position, food, non evident sicknesses, income, culture/education/internet connection, use of drugs or alcohol, character, marital status.

because he or she is self-referring and self-centered, will reward whoever recognizes first and best his or her specific needs and unity with their purchases and their loyalty.

From an academic point of view, marketing and cross-cultural communication present themselves as quite fertile areas for future research. The area is made up of a vast swathe of studies, all relatively recent, which we believe may acquire an ever greater relevance by virtue of the quick evolution of social migratory phenomena described at the beginning of the present work. This will mean a rapid increase in the empirical bases which our research refers to, with the objective of singling out specific models which will allow us to reach an ever better understanding of the phenomenon (on the level of individual sectors too) and to back up managerial decisions.

The following concrete step from the empirical point of view has already been planned for the immediate future through the implementation of a multi-target research: Albanians, Romanians, Chinese people and Moroccans, the four foreign ethnic communities that represent 50 % of foreigners in Italy, based on focus groups. Some commercials (concerning mobile phones, food and auto motive sector) will be shown to the people associated with the different nationalities, the purpose is to verify the assumptions summarized in the culturally and cross-culturally customized communication matrices; the data will be then compared with those related to the replies of the “Aborigines” to verify the perceptions of the different targets linked to the fulfillment of “technical and cultural needs”.

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USING PACKAGING AS A TANGIBLE INFLUENCE FOR ACCEPTANCE OF UNFAMILIAR BRANDS: A CROSS-CULTURAL RESEARCH WITH AMERICAN AND FRENCH CONSUMERS

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ABSTRACT

Based on previous research conducted by the author and presented at the MMA spring conference 2009, it became apparent that packaging plays a predominant role on consumers' attitudes towards familiar and unfamiliar brands. A review of literature finds few researches conducted in this area with limited coverage on the influence of packaging on attitudes towards brands. However, the results presented in this article, as well as those obtained by the previous research, demonstrate that the packaging is of considerable help when unfamiliar brands seek acceptance from consumers. Moreover, this cross-cultural study conducted with American and French consumers highlights the impact of cultural differences on their attitudes towards known and unknown brands.

INTRODUCTION

While previous research demonstrated that when comparing American and French consumers' attitudes towards familiar and unfamiliar brands, particular attention should be drawn to consumer's culture, an unexpected theme emerged from the data highlighting the importance of product imagery and the use of color in product packaging. It came out that participants used the packaging as a signal of quality when the brand was unknown. In order to fulfill this gap, the present research aimed at analyzing the influence of packaging on consumers' attitudes towards familiar and unfamiliar brands, in a cross-cultural environment. Although extant research has demonstrated that package design has a powerful impact on consumer response, it has provided little guidance to researchers and managers in helping unknown brands to be accepted. Early packaging research has focused on packaging as a means of communication (Lincoln, 1965; Gardner, 1967; in Underwood and Ozanne, 1998) and as a variable influencing product evaluation (Banks, 1950; Brown 1958; McDaniel and Baker, 1977; Miaoulis and d'Amoato, 1978; in Underwood and Ozanne, 1998). Since then, researchers and practitioners have studied the communicative role of packaging, (Underwood and Ozanne, 1998), and posited that "at the point of purchase, the product package is the communication life-blood of the firm". Garber (1995), proposed that the ability of brands to gain attention and consideration based on their appearance forms the basis for design strategy, which is particularly important for new brands. Packaging has been considered as a multifunctional element of the marketing mix, because it is conceived for protecting, storing, selling and exploiting the product. In the case

of the present research, we aim to highlight the design of the packaging instead of its other functions, as a means of stimulating positive attitudes towards brands. As far as the packaging is one important vector of a brands' image, and in line with the results obtained by Orth and Malkewitz (2008), who following the Gestalt psychologists, stated that the holistic design of a packaging has an overall effect, instead of any individual element of it, we assumed that attitudes towards unfamiliar brands are strongly influenced by the packaging. This choice was made based on the results of the research conducted in 2009, which indicated, as an example, that consumers from both countries would be willing to buy Anthon Berg chocolates because they perceived the packaging as a prestigious one, despite the fact that none of the participants was familiar with the brand.

Brand Familiarity

Familiar and unfamiliar brands differ in terms of the knowledge regarding the brand that a consumer has stored in memory and tend to have a variety of different types of associations for familiar brands. Johansson and Ronkainen (2005), state that esteem for a brand is correlated with its familiarity level, which can be explained by the comfort and positive feelings that come with familiarity. Like the package, the brand is an extrinsic cue that consumers may use as input to the product evaluation. The basis for predicting that consumers will use extrinsic cues more heavily in evaluating brands is the relative familiarity they have with the brand they are exposed to. True brand greatness is reflected in the number of strong brand marriages, or just in the number of prospects who are aware of the brand or who may

have been enticed into a single first-date experience (McEwen, 2005). Recognition reflects familiarity gained from past exposure and can result in more positive feelings toward nearly anything. When consumers recognize a brand they find it a signal that the brand is good. (Aaker, 2002). Consumers from high Uncertainty Avoidance (UA) countries evaluated high unfamiliar offerings less positively and held weaker behavioral intentions than those from low UA countries (Johansson and Ronkainen, 2005). The purchase or trial of a new product or brand brings a level of inherent uncertainty, and Country Of Origin (COO) can be used to reduce it thanks to stereotypes for making the product well perceived (Lee et al., 2007). Brand familiarity reflects the extent of a consumer's direct and indirect experience with a brand and captures the consumers' brand knowledge structures (Campbell and Keller, 2003). A brand that is familiar will tend to be favored, as familiarity signals that it is tried and trusted (Holden and Vanhuele, 1999), thus brand familiarity plays an important role in facilitating brand consideration in consumer choice (Holden and Lutz, 1992).

As discussed above, Zeithaml (1988) proposes that consumers use extrinsic cues when they have little or no experience with a product. When consumers are unfamiliar with the intrinsic attributes of a product, packaging provides accessible and diagnostic information on which to base evaluations. Thus a consumer considering the purchase of a less familiar brand is likely to evaluate the packaging more closely than they would with a more familiar brand. Lutz and Lutz (1978) found that when consumers had little prior knowledge of the brand, pictures facilitated learning more than verbal cues. If consumers find it more difficult to evaluate intrinsic cues for less familiar brands, their increased reliance on extrinsic cues should heighten any effects of packaging. Underwood, Klein, and Burke (2001) provide empirical evidence that the effect of package pictures is stronger for unfamiliar brands demonstrating that brand familiarity moderates the positive effects of package design on attitude toward the package, brand attribute beliefs, and brand evaluation.

Packaging

Packaging performs an important role in marketing communication by influencing consumers' purchase decisions. According to Rundh (2005), package attracts consumer attention to particular brand, enhances its image and influences consumer perceptions about the product. Package sends to consumer valuable information about the product helps positioning the brand and in this way, has an impact on consumer's purchase decisions thanks to its ability in communicating brand meaning and strengthening the consumer-brand relationship.

Packaging is the marketing element that has been largely overlooked in the theoretical construction and communication of brand symbolism and the self as the visual perception plays a role in the creation of consideration sets at the point of purchase. Packaging acts not only as a communication vehicle for transmitting symbolism, but is important for its own symbolic contribution to the total understanding of the corporation or brand (Underwood, 2003). Packaging is also tangible in nature, a three-dimensional marketing communication vehicle that is often integrally tied to the ongoing performance of the product offering. The package resides in the home, potentially becoming an intimate part of the consumer's life, a phenomenon that represents a type of lived experience between consumer and brand (Lindsay, 1997). Symbolism generated and/or communicated by the package may include convenience, environmental consciousness, ethnicity, family, health consciousness, national and/or regional authenticity, nostalgia, prestige, value and variations in quality, among others.

Kuvyikaite and al. (2009), established a research model in which the elements of packaging are divided into two different categories: visual (graphic, color, size, form, material) and verbal (product information, producer, country of origin, brand). It came out of their research that verbal information such as country of origin is one of the main verbal elements, while size and material are the most influential visual elements in consumer's purchase decision. The model defined by Bloch (1995) provides a systematic approach to the relationship between the product form and the consumer responses of either approach or avoidance, issued from two types of psychological responses that are cognitive (product beliefs and categorization) and affective (positive and negative responses). Among the moderating influences, the author includes the personal preferences which are influenced by the consumer's culture. Indeed, preferences for product form are strongly shaped by the cultural environment (McCraken, 1986) and particular styles and colors are accepted according to the cultural values and preferences. Thus, shapes, colors and material appreciated in one culture can be unattractive in another and designers should encode in their creations meanings derived from the targeted cultures.

Objectives, method and research design

The literature review demonstrated that both brand familiarity and packaging are tools consumers use in order to identify, accept and reject products and brands. Previous research (Karsaklian, 2009) demonstrated that when the brand is unfamiliar, the packaging plays an important role in guiding consumer's attitudes towards the brand. Therefore, the main objective of the research here presented was

to understand the influence packaging can have on consumers' attitudes towards unfamiliar brands in a cross-cultural environment. The United States and France differ in terms of uncertainty avoidance index, defined by Hofstede and Hofstede (2005) as *the extent to which the members of a culture feel threatened by ambiguous or unknown situations*. France scores 86 whereas the American index is 46, which allows us to assume that French consumers are more risk averse than Americans, what can have an impact in their attitudes towards unfamiliar brands. A qualitative study of packaging was conducted with an experimental design. This qualitative methodology technique was considered appropriate vehicle to tap consumer perceptions of product packages, since the impact of package design is inherently subjective (Underwood and Ozanne, 1998); therefore, in-depth interviews were conducted with participants. Fifty participants (25 Americans and 25 French) analyzed eight products although redundancy was reached after the 17th respondent. During the experience, we noticed that the responses obtained after the 17th respondent were redundant with the answers already obtained with the previous 16 participants, but we continued conducting the experience until the 50th participant was reached.

Underwood stated that because packaging exists as an element of mass communication in the marketplace, consumers may experience symbolism derived from packaging without engaging in the actual purchase and usage of the product. This type of mediated experience will generally take two forms: processing of package information at point of purchase; and processing of packaging in advertisements and promotional communications. A

survey of 200 TV commercials covering 10 mass market product categories indicated that packaging is often prominently featured in advertising spots; on average, approximately 12 seconds of a 30 second advertisement is devoted to featuring the package. For new products and/or products that have received package updates, the advertisements tended to feature the product even longer (Keller 1998). Thereby, in the research here presented, participants were exposed to the packaging projection on a screen for 15 seconds, after which they should express their feelings about the brand. The following step was letting respondents manipulate the actual packaging and asking them again to tell what they thought about the brand. The eight presented brands were both known and unknown to the participants and from different countries of origin.

Results

Evidence from this research demonstrates that packaging plays a strong influential role on consumers' attitudes towards unknown brands, and as it had been stated by Bloch (1995), culture has a moderating role in consumer acceptance of unfamiliar brands. Acceptance and rejection were identified by the respondents' answers to the question: *Would you buy this brand?* and the corresponding verbatims. Eight brands were analyzed during the study, but only four of them will be presented here, because of the limited length constraints for the paper. Results are presented hereafter (words written in red indicate the majority of responses):

Table 1. Results for Nudie Crushie

Image on the screen	
Americans: acceptance	Americans: rejection
Looks tasty Looks healthy	The name has nothing to do with the product I don't know what it is I don't like the name Nudie The picture on the bottle is holding itself as it has to go to the bathroom Cartoon makes it for children
French: acceptance	French: rejection
I like smoothies It seems good quality It seems natural and healthy It is similar to familiar brands	I don't know the brand I don't know what it is I guess it is for kids The logo is ugly
Packaging manipulation	
Americans: acceptance	Americans: rejection
The character is cute It has humor Raw flavor with no additives	Small quantity It should be overpriced I don't like the name The character is odd Why is there a nude person? Looks expensive and unfamiliar
French: acceptance	French: rejection

Nice packaging I like the cap's material It's beautiful and clean Small and practical Fine and prestigious	It's still an unfamiliar brand The label is unclear Not attractive No information about the product What is "more"...?
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Although Nudie Crushie is an unfamiliar brand to all participants, the important aspects for the French were that it is a natural product, the material used for the cap (Kuyyikaite and al., 2009) and the convenient and practical size. Americans accepted

it more willingly, but seemed to be more concerned about the price of the product, due to its small dimensions, and did not feel comfortable with the naked character.

Table 2. Results for Hungry Jack's

Image on the screen	
Americans: acceptance It reminds me Burger King Good colors Looks like other fast-foods I know Looks something grilled because of the flames	Americans: rejection Looks like a knock-off of Burger King The flames are weird Not attractive
French: acceptance I would try them The logo is a hamburger It seems normal fast-food	French: rejection It will burn the stomach The colors are aggressive I'm loyal to McDonald's Too spicy, hard for digestion
Packaging manipulation	
Americans: acceptance It is owned by Burger King I like it very much It looks like it has a lot of flavor	Americans: rejection Not attractive The flames are odd It seems greasy
French: acceptance I would try them	French: rejection I would never eat this Junk food with bad quality It seems cheap and poor quality It seems old I can't trust it Too much fat

Despite the fact that Hungry Jack's is an unfamiliar brand, Americans can recognize Burger King's colors and seeing in the packaging that it actually belongs to Burger King is reassuring for them. However, French are not familiar with Burger

King, as in France there is only McDonald's and Quick, the Belgium chain and thus, the packaging was the only parameter which their judgment was based on.

Table 3. Results for Lipton

Image on the screen	
Americans: acceptance I love chai tea Trusted brand Lipton is high quality	Americans: rejection I don't like chai tea
French: acceptance I like vanilla I know the brand	French: rejection It seems creamy and fat I don't know what it is
Packaging manipulation	
Americans: acceptance Lipton is a good and strong brand It's large size	Americans: rejection I don't like chai tea
French: acceptance	French: rejection

I would try it once Nice colors on the packaging	Too many things mixed together Artificial, too much chemistry
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Lipton is a very strong brand in both countries, but unlike American consumers, the French are not familiar with the Chai tea concept. Moreover, they

tend to reject products presented in powder, because they are not natural and it is almost impossible to know exactly what is in it.

Table 4. Results for Le Président

Image on the screen	
Americans: acceptance	Americans: rejection
Looks delicious Fondue is good	I don't understand what it is I don't know the brand
French: acceptance	French: rejection
Good brand Fondue is part of our tradition	I like to prepare it myself It is to share
Packaging manipulation	
Americans: acceptance	Americans: rejection
Quick and easy For the microwaves	Unappealing Looks gross
French: acceptance	French: rejection
I live alone	Ready to use

The reputation of the French brand name Le Président was not enough to persuade French participants to buy this product. Their attitude was very negative, because they could not accept an industrialized version of this traditional meal, while Americans' positive attitude was reinforced by the packaging which announced that it was easy and quick to prepare. The four other brands analyzed in the study and not presented here due to limited length constraints were McDonald's, Shapes, Up&Go and Naturekind. **McDonald's** was approved by all the participants thanks to the brand reputation; **Shapes**, a crackers' brand obtained more approval from Americans because they are more used to crackers as snacks than the French and also because they found the packaging similar to Ritz. Followed **Up&Go**, a ready-to-drink breakfast rejected by all respondents mainly because of its manufacturer's name Sanitarium which along with its packaging colors reminded them cleaning products. Finally **Naturekind** was rejected by a big majority of Americans, because it seemed confusing and too healthy, whereas the French would be more eager to buy it because it is a European brand.

Discussion

Evidence from this research demonstrated that packaging, as a communicator, plays a substantial role in influencing consumers' attitudes towards unfamiliar brands with a moderating effect of their cultural background. As Hine (1995) notes, individuals' experience color in packaging at three different levels: the physiological, the cultural, and the associational. The cultural experience relates to visual conventions that have been established over

time in various societies. For example, the red and yellow colors of Hungry Jack's suggested grilled food to Americans while the French found them aggressive and hard to digest. Packaging can be viewed as a window on the culture and serves as the tangible embodiment of a product symbol, often playing a major role in strengthening or weakening the emotional bond between consumer and brand. The ability of packaging to arouse emotions is often just as important as its functional capability to store and protect its contents (Feig, 1999). This can be illustrated by the Nudie Crushie character that makes Americans feel uncomfortable because it is naked, while this fact has no impact on French respondents' perceptions. Packaging can thus provide shape and tangible form to both the product and buyer's image; it can serve as an expression of brand personality and of individuality. Indeed, and as it was highlighted by Kuvyikaite and al. (2009), the material used for the cap attracted the French participants' attention, while the size of the bottle was an important characteristic to Americans, who associated it with the price of the product. From the methodological point of view, the method applied to this research, allows to say that seeing the brand and manipulating the product's packaging reveal different levels of attitudes of consumers towards familiar and unfamiliar brands. Finally, the influence of the country of origin should be taken into account, because it can motivate some consumers to buy unfamiliar brands, as it was the case with the French respondents and the German product Naturekind. Although in no case participants radically changed their opinion about a brand, their contact with the actual packaging allowed to either reinforce or minimize their acceptance or rejection of them.

Managerial implications

The current study has several meaningful managerial implications. First, the findings of this research clearly indicate that practitioners and researchers should draw special attention to packaging when launching new products in different countries. The Lipton example can illustrate this, as although the brand has a very good reputation in France, French consumers would reject the new product because of its packaging. This is even much more important for unfamiliar brands settling in a new market, as for example Nudie Crushie which activated different responses from the two different cultures. As Orth and Malkewitz (2008) pointed out, the packaging should translate into gains in brand strength and equity, and managers should determine which impressions are desirable for their brands in each targeted country. Although results from this

research cannot be explained exclusively by the UAI, they demonstrate that the French have a tendency to reject all the unknown brands, whereas Americans would be more eager to try them once.

Limitations and future research

The results from this research have limited reach because of the exploratory approach of the experiment conducted with a limited sample. Thereby, the results can also be influenced by personal values instead of cultural ones. The chosen products were all food and it is impossible to predict any replication of these results with other product categories and other cultures, which would encapsulate a broader array of values and references. Thus, the research sample should be enlarged, including other cultures and further research should be conducted with other product categories.

APPENDIX



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POSITIONING THE NATIONAL BASKETBALL ASSOCIATION FOR INTERNATIONAL EXPANSION: AN INTERNAL ANALYSIS OF THE LEAGUE'S CAPACITY TO EXIST AS A GLOBAL BRAND

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ABSTRACT

Regarded as a leading sport property in the United States and worldwide, the National Basketball Association (NBA) generates about \$3 billion in annual revenues with less than 10% from international business (Lombardo 2004; Lombardo 2005b). However, the league's business is now considered domestically mature and needs growth from overseas markets (Lombardo 2004). Commissioner David Stern stated that globalization tops the league's agenda, including a possible European team (Lombardo 2005c; SportBusiness International 2007c). As the NBA makes global efforts, positioning its brand will be critical for success. This paper examines internal elements that will affect the NBA's global business efforts and classifies them as strengths or weaknesses regarding international core product expansion.

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SELF- AND PEER-ASSESSMENT OF GROUP PROJECTS: A CASE STUDY

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ABSTRACT

A case study showing the benefits of using a constant-sum scale to report self- and peer-assessments used to adjust students' final grades on team projects. It was determined that most students were unbiased in their evaluations, and those who appeared to be self-biased were, in reality, objective about their contributions.

INTRODUCTION

“Thank you for a great term. Your projects were great. I know I learned a lot.” And with that, another term ended with the final presentations of term-long marketing research projects that asked student teams to conduct a comprehensive marketing research project for a local organization. The change in the room’s atmosphere was dramatic: from stressful formality to “Term break! Let’s get out of here.” But wait. As promised, I needed to ask students to assess their own and their teammates’ contributions to their team efforts. I doubted that a 4-page survey evaluating teammate contributions dashed off in 90 seconds would provide valid results with which to adjust individual project grades. Would a quick and easy means of self- and peer-assessment provide meaningful and unbiased data?

“Wait. Don’t anyone leave yet. Please fill out the constant-sum scale form that I’ve talked about.” After 90 seconds of frantic activity, the students were starting their term breaks, the room was quiet, and I was left with a stack of forms.

The purpose of this study of undergraduate marketing students at a private four-year liberal arts college is twofold. The study quantifies the variations in self- and peer-assessments obtained from using a constant-sum scale as a method of reporting team contributions. The scale is extremely fast and easy to administer. The second part of the case history attempts to determine if using a constant-sum scale affects team dynamics: Will teams perform the same if all members contribute equally, or is there a change in performance due to one or more members contributing more or less than their fair share as measured by the constant-sum scale?

Research literature is rich with studies concerning the value of group projects and the need to use team member peer evaluation (Hansen 1990). In a study of 280 university students in Taiwan, Wen and Tsai

(2006) found that students had a positive attitude toward peer assessment, prefer that adjustments as a result of peer assessment made to final course grades be relatively minor, and respect peers’ judgment about their own performance. Qualitative research found that students believe that self- and peer-assessment is difficult, causes discomfort, and is problematic in its implementation, but is productive, provides a better understanding of grading, and helps develop empathy and motivation (Hanrahan and Isaacs 2001). Levi and Cadiz (1998) found significant correlation between behaviorally anchored scales that included both task and social behaviors and overall team ratings but cautioned that the act of completing the behaviorally anchored scales can be assumed to be an aid to students in providing better overall team performance ratings by considering team member performance rather than individuals’ personalities or likability.

Not all studies agree on the best method of assessing team member contributions. Lejk and Wyvill (2002) found that qualitative research supported their previous quantitative research, indicating that a holistic method of assessment provided a better summative group assessment than a category-based method and that students’ attitudes favored the use of a holistic method over a category-based method of peer assessment. A three-part student assessment model using the Collective Effort Classroom Assessment Technique developed by Angelo and Cross (1993) and administered at the beginning of a student project, midway through the project, and at the project’s end has been found to promote successful group work (Corbin, 2002).

Others schemes, such as those based on game theory, may be impractical for courses that end with a final presentation and rely on peer ranking, with the instructor declaring final grades and giving students a chance later to complain about the grades they have received and ending with instructor investigation and adjudication (Tu and Lu 2005).

METHODOLOGY

Along with the usual introductory material, the course syllabus stated the relative weights for the different activities used to determine students' final grades. The term project represented 30% of the final grade, and included in its description was "Students will grade their own and their teammates' contribution to the project. A student's project grade will be adjusted up or down according to his or her contribution to the project." The stated learning objectives of the course included, "To collaborate with classmates in completing in-class assignments and projects and to communicate orally and in writing as individuals and in group settings."

A 12-page description of the term project was distributed to each member of the class during the first week of class. The importance of learning to work in groups and the relevance to their future careers was explained during the introduction to the term project. The write-up included a schedule of the primary topics (project plan, secondary data, focus group, primary data collection, statistical inference, and recommendations and presentations), the weight of each topic on the project's final score, the topics' due dates, and rubrics for grading each topic. The write-up included the statement, "Individual's final term project grade may be increased or decreased depending on team-member evaluation conducted at the conclusion of the project."

Students were allowed to choose their teammates, a method found to be the most frequently used means of dividing a classroom into teams Hansen (2006). The author had found from previous experience that student-selected teams resulted in fewer instances of complaints about team members not contributing their fair share, or "free riding."

The first team assignment asked students to meet socially to get to know one another better and to discuss the term project. Each team was asked to submit a brief statement of its project goals ("We expect to earn an A"), the payoff for reaching its goal ("We're going to the Branch"), and the expertise of team members ("John will be our computer expert, Joan will head up our statistics department..."). Students were encouraged to be forthcoming with one another and, if appropriate, be realistic with the team and individual goals ("We're shooting to be just below average").

During the first few weeks of class several in-class exercises were assigned that put teammates together to accomplish specific tasks and report their results orally. At least twice each term the instructor asked students to anonymously evaluate their and others' performance on a scale of 1 to 5. On the few occasions that it was obvious that students were having difficulty, the

instructor gave a short lecture on how teams should perform and resolve their conflicts.

From the middle of the project to the end of the term, at least 15 minutes at the end of each class was reserved for students to meet as a team. During this time they were allowed to discuss any project-related topic and were afforded the opportunity to discuss their projects with the instructor.

Project deliverables, such as focus group results and statistical inferences, were scheduled throughout the term to balance the workload requirements. Each topic was assessed by the instructor according to a published rubric and returned to the teams. Students were not allowed to rewrite portions of the project. At the end of the term the teams were asked to submit their final recommendations, collate previous work in a 3-ring binder, and make final, formal oral presentations.

Following the oral presentations, students were asked to confidentially fill out an assessment form. A constant-sum scale, where students are asked to divide among themselves and their teammates a total of 100 points, was used to indicate the relative level and quality of the effort put forth by each person on the team. The results of the evaluations were to add or deduct points from individuals' final project grade. While the last score entered on the constant-sum scale form is predetermined (100 minus the sum of the other scores), practical considerations often outweigh this shortcoming (Zikmund and Babin 2010).

RESULTS

Over seven years, 212 students received letter grades for the course. Ninety-five were male (45%) and 117 female (55%). A total of 45 student teams were included in the study: One two-person, three three-person, 10 four-person, 25 five-person, and six six-person teams.

The average final course grade for all students was a B (3.01/4.00). The average project grades before points were gained or lost as a result of the self- and peer-evaluations was an 82.8/100. The difference in average unadjusted project grades for female and male students was statistically significant: 84.3 versus 81.0 respectively. One-way analysis of variance (ANOVA) at a 95% confidence level showed that project grades before self- and peer-assessments were factored in was significantly different for various sizes of teams. Interestingly, the unadjusted grades increased in almost a straight line as the number of students on a team increased from two to six (78.0 to 84.9).

Of the 212 students, 148 (70%) students' self- and peer-assessment were the same for all members of their team. The self- and peer-assessments of 64 students (30%) were unequal. When the final course grades

were reviewed and the effect of gaining or losing points on the term project was subtracted, it was found that the final course grades of 11 of the 64 students were affected by the evaluations: four students' final course grades were increased as a result of the evaluations (3 females and 1 male), and seven went down (2 females and 5 males). In all but one instance, course letter grades were changed half a letter grade (e.g., down from a B- to a C+).

Two factors were used to judge whether or not students showed bias in reporting their contributions to the team effort. Self-assessments were compared to the normative team average, or what individual teams members would receive on average if all students contributed equally (e.g., 25 points for a 4-person team and 20 points for a 5-person team). Second, self-assessments were compared to peer-assessment provided by team members (e.g., on a 4-member team student A gives herself a 30 while her team members give her an average score of 22). An individual's self-assessment could be equal to, above, or below the normative team average and equal to, above, or below the peer-assessment average.

One hundred forty-eight students (70%) showed no obvious bias in their self-assessments. Their self-assessments were equal to the normative team average and equal to the average peer-assessments. Thirty-eight students (18%) showed apparent self-bias; they rated themselves above the normative team average and above what their teammates believed (higher than the

average peer-assessment). Eight students (4%) assessed their efforts below the normative team average and below the average peer-assessment; perhaps recognizing their shortcomings compared to others, but convincing team members they had contributed more than they did. Ten students' self-assessments (4%) equaled the normative team average but showed a possible self-bias to a lesser degree by evaluating themselves higher than their teammates. Four students' self-assessments equaled the normative team average but was below their peers'. Four students' self-assessments were single combinations of equal to, above, or below. In summary, 48 students' (23%) self-assessments were either above or equal to the normative team average and above the average peer-assessments, thereby showing potential self-bias (see Table 1).

The gender composition of the 212 students was 45% male and 55% female. Seventy-two percent of males and 68 percent of females reported their contributions to the team equal to the normative and peer averages. Of the 48 students who showed a possible self-bias by assessing themselves either above or equal to the normative team average and above the average peer-assessment, 18 were male (38%) and 30 were female (62%). Had the gender composition of the 212 students extended to those who showed a possible self-bias, 22 males and 26 females would have (see Table 1).

Table 1. Self-Assessments Compared to Normative Team Average and Average Peer-Assessments

Self-assessment versus normative team average	Equal	Above	Below	Equal	Equal	Other	Totals
Self-assessment versus average peer-assessments	Equal	Above	Below	Above	Below		
Male	68	13	6	5	1	2	95
(% of males)	(72)	(14)	(6)	(5)	(1)	(2)	(45)
Female	80	25	2	5	3	2	117
(% of females)	(68)	(21)	(2)	(4)	(3)	(2)	(55)
Number of students	148	38	8	10	4	4	212
(% of all students)	(70)	(18)	(4)	(4)	(2)	(2)	(100)

Project grade averages were tabulated before adjustments were made based on self- and peer-assessments. Single factor analysis of variance (ANOVA) with a 95% confidence level showed that there was only one significantly different pre-adjustment project average across all students. The pre-adjustment project average for students who rated themselves below both the normative team average and peer-assessment average earned the lowest project

grades, an average of 79.0. No statistically significant differences were found among pre-adjustment project averages for students with self-assessments equal to normative team averages and peer-assessments (83.1/100), students who exhibited self-bias by assessing themselves above the normative team average and above the average peer-assessment (82.6/100), and students who showed self-bias by assessing themselves equal to the normative team

average and above the average peer-assessment (81.2/100) (see Table 2).

Table 2. Self- and Peer-Assessments and Pre-adjustment Project Averages

Self-assessment versus normative team average	Equal	Above	Below	Equal	Equal	Other	Totals
Self-assessment versus average peer-assessments	Equal	Above	Below	Above	Below		
Pre-adjustment project average (100 max.)	83.1	82.6	79.0	81.2	83.7	83.7	82.8
Number of students	148	38	8	10	4	4	212
(% of all students)	(70)	(18)	(4)	(4)	(2)	(2)	(100)

After final course grades were determined, including the term project (adjusted for self- and peer-assessments) worth 30% of the final grade, the final course grades were compared to students' self-assessments and the assessments of their teammates. Using a *t*-test at a 95% confidence level the 38 students who showed a clear self-bias (self-assessment above both the normative team average and the peer-

assessment) earned a significantly higher final course grade (3.28/4.00) than the students whose self-assessment was equal to the normative and peer-assessment averages (2.98/4.00). The eight students whose self-assessment fell below both the normative team average and the average peer-assessment earned the lowest final grade point average (2.41/4.00) (see Table 3).

Table 3. Self- and Peer-Assessments and Final Course Grade

Self-assessment versus normative team average	Equal	Above	Below	Equal	Equal	Other	Totals
Self-assessment versus average peer-assessments	Equal	Above	Below	Above	Below		
Final course grade (4.0 max.)	2.98	3.28	2.41	2.78	3.25	2.80	3.01
Number of students	148	38	8	10	4	4	212
(% of all students)	(70)	(18)	(4)	(4)	(2)	(2)	(100)

DISCUSSION AND CONCLUSIONS

Using a constant-sum scale to report self- and peer-assessments in team projects offers a compelling set of advantages over methods involving Likert scales, comment pages, and surveys, which can take a significant amount of instructor time (Johnson, 1993). Constant-sum scales are easy to discuss, simple to understand, and can be administered in just a few minutes. Analyzing the results of constant-sum scales and making adjustments to final project grades is fast and simple.

Forty-eight students (23%) exhibited apparent self-bias using the constant-sum scale (see Table 2). Their self-assessments were either above or equal to the normative team average and above the average peer-assessments, which can be expected in a course where the final course grade may be affected by self- and peer-evaluations (Ward 2005). More importantly, the apparent self-bias may not be the case of students

artificially over-assessing their contributions. These students may actually be giving perfectly valid evaluations. In this author's experience, the best students are often assigned the most onerous and time-consuming tasks in a group project (e.g., they did well in the previous statistics course, so they volunteer for or are coerced into conducting the statistical analysis portion of the term project).

Using a constant-sum scale does not appear to interfere with team performance. With pre-adjustment project averages significantly the same for all but 8 of the 212 students (see Table 2), teams overcame shortcomings caused by team members who did not contribute their fair share but gave themselves a self-assessment equal to or above the normative team and above the average peer-assessment. The fact that the most apparently self-biased students earned higher final grades in this case history (see Table 3) says more about those students' efforts in the 70 percent of final grade (papers, exams, etc.) earned outside the project

than about the possible concerns that constant-sum scale may not elicit valid self-assessments. The case history's finding that the most self-biased earn higher course grades is similar to findings in a study by Johnson and Miles (2004).

It is interesting to note that more females than expected in this case history showed apparent self-bias in assessing their contributions to the team projects. Fifty-five percent of all students were female, yet 62% of those who assessed themselves at either above or equal to the normative team average and above the average peer-assessment were female. It is doubtful that the difference is due to using the constant-sum scale method; the underlying causes for the discrepancy are probably not discernable from the data collected for this case history.

The results of using a constant-sum scale for self- and peer-assessments in this case history may not be applicable in other circumstances. In this case history data was obtained from marketing students taking the upper-level marketing research course that is required of students majoring in business administration with a specialization in marketing. Another factor that may affect the use of a constant-sum scale is the assignment of students to project teams. The teams in this case history were self-selected; students had previously worked together on team projects in other courses and chose their teammates for the marketing research project accordingly.

The author will continue to use a constant-sum scale to obtain self- and peer-evaluations. The data collected on future classes will be augmented with students' grade point average and analyzed to determine the extent to which grade point average is a predictor of performance in the course. It is suspected that good students will do well in marketing research and rightly indicate their strong contributions to the team projects.

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AMBUSH MARKETING VERSUS DEFENSIVE MARKETING STRATEGY: A CASE STUDY IN THEIR SUCCESSFUL APPLICATION

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ABSTRACT

This paper shows that contrasting marketing warfare strategies were deployed successfully by two different companies for the same event, the 2008 Olympics in Beijing. The Coca-Cola Company used a defensive marketing strategy while the Li Ning Sportswear Company used an ambush marketing strategy, both to considerable success.

INTRODUCTION

Modern marketers have been engrossed with the concepts of classical warfare tactics and their application to marketing strategy since the 1980s. There have been many books and articles written about marketing warfare since then. One of the earliest to write on this subject was Quinn in his book "Strategies for Change" (1980) and an article Kotler and Singh (1981) entitled "Marketing Warfare in the 1980s". However, the most popular book written in this area was "Marketing Warfare" by Ries and Trout (1986).

Let's examine Coca-Cola, for example. Coke has become the market leader in their category. It is a company with unlimited resources and, arguably, the most recognizable brand in the world. Its objective prior to, during and after the 2008 Beijing Olympics was to rely on a "Defensive" marketing strategy, which is typically characteristic of a market leader with "deep pockets." Their objective here was to use the Olympics to enhance their market position, and keep revenue growing, which by all accounts appears they did successfully.

Reis and Trout (1986) discussed the three principles of defensive warfare. First, defensive strategies should only be pursued by the market leader. Second, "Attacking" is the best defensive strategy. This is accomplished, for example, by introducing new products and increasing your promotional budget, if only to protect your market share. And thirdly, the leader should always block offensive moves made by competitors.

Usually, but not in all cases, "Ambush" marketing is practiced by the smaller company with fewer assets.

This is where the ambush marketer does not pay a hefty fee to participate in the event but engages in promotional activities and obtains exposure as though it were a sponsor. As discussed in this paper, the Li Ning Company used an ambush strategy very successfully to gain an advantage over its competitor, the Adidas Company, who was an official Beijing Olympics partner.

COCA COLA'S PROMOTIONAL ACTIONS IN CHINA

In order to implement their Olympic promotional program in China, Coke has assembled a team of over 200 employees, devoting themselves to a myriad of activities (Paull, 2007). For example, for the Beijing Games of 2008, Coke had designed an Olympic-themed can for the Chinese marketplace. Conveniently, this modified red can is the perfect promotional item in China, a country synonymous with the color red. The Company had splashed its logo all over the can, which featured those Olympic athletes with which Coke has exclusive contracts. "Coca-Cola red" isn't simply a color or trademark; rather it is the Company's identity, a color so very closely identified with the product and brand (Fitz-Gerald, 2007).

The color red is important in Chinese culture. In effect, it is the color of the nation, explaining why the Chinese flag is mostly red, as are all Chinese Olympic uniforms. The color red in China is associated with joy, fortune, success and good luck. It is a color that ward's off evil spirits. The red color is typically used at New Year celebrations and holidays. Clearly, the

color red strikes a favorable emotional chord among Chinese citizens (ClearHarmony.net, 2006). A fortuitous “fit” for Coke.

Coke’s Olympic-themed can and bottle is not only endowed with the Olympic logos but it also contains images of clouds and kites. In Chinese culture, clouds are symbolic of good luck. Kites, which are an ancient Chinese invention, symbolize the spirit of the Chinese people and the teamwork that was needed for the Beijing Olympics to be a success. In addition, it is also believed that kites will whisk away bad luck and illness. The Coke bottle itself was re-designed for the Chinese marketplace as well, and is now slimmer and taller. Coke has also added a fluorescent glow to the bottle to appeal to the younger Chinese consumer (Madden, 2007).

In an effort to build anticipation toward, and further capitalize upon the upcoming Olympic Games, Coke unveiled a high-tech 50-foot version of the company’s famous contoured bottle at the Beijing 2008 New Year Celebration Countdown Party. This televised event is similar to the Times Square Ball Drop that takes place in New York annually during New Year celebrations. “The 50-foot bottle weighs 20 tons and features more than 330,000 LED screens, all of which digitally depict “uplifting messages of happiness, love, optimism, and hope,” according to a press release (Forbes, 2008). Coke was attempting to draw upon the emotional elements surrounding China’s hosting of the Olympics, hoping to win over the hearts of new consumers. This massive bottle has since been on display in Shanghai. Finally, the bottle was part of the Olympic torch lighting ceremony as well, as Coke ambassadors traveled with the bottle and the Olympic torch on a 100-city tour throughout China. The torch relay itself spanned 85,000 miles through 21 international cities, the longest in history. Coke shared these sponsorship duties for the torch relay with Lenovo and Samsung (Thomson, 2008).

Advertising signage is not allowed within Olympic stadiums. Thus, Coca-Cola had to have a major presence right outside the stadium in Beijing where several promotional initiatives will be undertaken. In a clever move, Coke handed out branded foam hands to be worn and waved by spectators within the stadium. This is a “roundabout” tactic to employ in order to “advertise” within the stadium itself (Kronick and Dalton, 2005; Olympic.org, 2008).

Known as the most popular spectator sport of the Olympic Games, “pin trading” has become an enjoyable way for people to meet others from around the world. As a supporter of the Olympics, Coca-Cola has been offering Olympic pins for decades (Buzzle.com, 2002). In the words of David Brooks, Vice President of Coca Cola in China: “For the 2008 Beijing Olympic

Games, the Coca-Cola Company celebrated our 80th year of continuous Olympic sponsorship. So for us, it’s a very important Olympics. We were looking forward to a lot of people buying pins, trading pins”. Because of China’s large population of people who are passionate about the Olympic Games, the beverage Company designed a series of pins with a Chinese flavor for the 2008 Games. Coke also created a “pin of the day” throughout the Olympics (Crienglish.com, 2008).

In order to serve this specialized market, Coca Cola constructed a bottle-shaped building to facilitate pin trading activities at the 2008 Olympics (Crienglish.com, 2008).

Coca Cola did not forget its prime target market, the young consumer. At the Olympics Coca Cola is offered a computerized virtual reality game so that visitors were able to test their “Olympic” skills while at the same time receive coaching tips from past Olympic coaches and athletes (Coca Cola.com, 2008). For the younger consumer, too, Coca-Cola also launched an online computer game featuring Chinese track-and-field champion Liu Xiang (Madden, 2007).

Coca Cola is even developed and sponsored a radio station called, “Coca Cola Radio” located in the Olympic Village. Guest celebrities and various athletic and entertainment personalities provided live broadcasts and contest updates (Coca Cola.com, 2008).

Additional marketing efforts have been initiated by Coke using NBA superstars Yao Ming and LeBron James in some of their Olympic advertisements. Yao Ming, who came in the United States in 2002, has dramatically increased China’s awareness of the National Basketball Association (NBA). His tremendous popularity in China has propelled the entire league into the international spotlight. Yao is one of the most popular athletes in the world, and now a major focus of Coke’s Olympic marketing campaign both in China, and elsewhere. In a TV commercial that aired internationally, both James and Yao were featured as Olympic ambassadors representing the world coming together in Beijing for the 2008 Games. This advertisement was part of the recent “Coke Side of Life” advertising campaign. There are several other Coca-Cola commercials airing in China, specifically designed to generate excitement about the “Coke Side of Life” in general, and the Olympics, in particular (Forbes, 2007). One commercial, for example, features a Chinese Olympic Team diver hurling himself off a building to grab a bottle of Coke. Another commercial, released during the 2008 New Year celebration, featured several older Chinese women. When they opened a bottle of Coke, they were instantly transported to a fast-paced, exciting lifestyle, laced with motorcycles and other fun activities. This commercial seemed to portray an energized, “Coke Side of Life” (Forbes, 2007).

It follows that Cola Coca-Cola also used billboards and various other signage throughout China to promote its brand. These visuals often included images of the Olympic games. Many appliance retail stores were displaying their televisions featuring Coke ads (Forbes, 2007).

Large inflatable Coke bottles were frequently found on the streets of Beijing with colorful renditions of Chinese Olympic athletes. These, of course, also made for excellent photo opportunities for tourists (Forbes, 2007).

One interesting promotional approach taken by Coke included the Beijing Olympic Committee partnering with Coca-Cola to sponsor a contest, whereby ten families, from anywhere in the world, would come to Beijing and tour a Coke bottling facility (Beijing2008.cn, 2008).

The partnership between the Olympic Games and Coca-Cola has been going strong since 1928, and this relationship is now guaranteed until at least the year 2020. Indeed, in a 2005 announcement, Coke disclosed an extension of its Olympic sponsorship program until 2020. Coke is confident that this continued relationship would further bolster the company's brand equity and awareness, both in current and emerging markets. There are very few things in the world that are as universally recognized and loved as the Olympic Games. So for a brand like Coca-Cola and other beverages around the world, to be able to make that connection with people in every country is just a huge opportunity for us, says Peter R. Franklin, Worldwide Director of Sports Operations for Coca-Cola. (U.S. Commercial Service, 2005).

As one who has been associated with the Olympic Games since 1928, Coca Cola knew that the Olympics provided an important vehicle to use their defensive marketing strategies and showcase their products in perhaps the most vibrant market in the world today.

How successful was this strategy? For 2008, Coke's volume in North America declined by 1%. Sizeable profits were not made in U.S. but abroad: Coke's volume increased by 2% in Europe, Mexico 6%, Brazil 7%, India 28% and China a whopping 29%. Coke's third quarter 2008 earnings were \$1.89 billion or 81¢ per share, up from 1.65 billion or 71¢ per share in 3rd quarter 2007 (Coca Cola, 2009). Can this success be traced to Coke's defensive strategy at the 2008 Olympic games? A very possible "yes" to that question.

OLYMPIC MARKETING: THE LI NING COMPANY

The 2008 Olympics was the centerpiece of their latest marketing strategy. It cost Adidas an estimated \$80 million to be the Olympics' "Official Sportswear

Partner" (Balfour, 2008). This meant that all medalists would receive their medals wearing Adidas outfits. But, after losing this opportunity to be the official sponsor, Li Ning implemented several other important, and successful, strategies as noted below. Indeed, Li Ning seized the opportunities afforded by the Olympics to achieve very meaningful results that not only contributed to the bottom line, but also, just as importantly, enhanced the brand by giving it additional global attention (Reuters 2008a).

AMBUSH MARKETING AT THE OLYMPICS

Ambush marketing is a strategic marketing campaign that occurs when one brand pays to be an official partner/sponsor of an event, but another competing brand attempts to cleverly connect itself with the event without paying a sponsorship fee, and not violating any laws. Such a marketing effort can very well attract consumers at the expense of competitors (Sauer, 2002). After being denied full Olympic partnership/sponsorship rights to the 2008 Beijing Olympics, Li Ning decided to employ an ambush marketing program. Specifically, Li Ning himself, wearing his own brand of sportswear, was hoisted 75 feet in the air by cables while he ran around the perimeter of the "Bird's Nest" stadium before lighting the Olympic cauldron. Talk about an ambush. Nike and Adidas may have paid out in millions in endorsements, but they could not measure up to this incredible highlight seen by possibly as many as four billion viewers around the world (Hunsberger, 2008). The exposure alone that night on CCTV, along with the picture of Li Ning that ran on the front page of every national newspaper here, easily makes it the greatest two or three minutes of free advertising in television history (Oshinsky, 2008).

The company's Olympic marketing theme, "Hero", reflected the firm's strategic marketing vision. In April 2008, the Company launched its Olympic promotion program, particularly targeting major shopping centers in China. The program comprised three main campaigns: "Hero's Geared to Win (the event for unveiling the Olympic sportswear sponsored by the Li-Ning brand) launched in the run-up to the Beijing Olympic Games, "Hero's on Parade" (an event to cheer for the Beijing Olympic Games) held during the Games, and "Hero's in Tribute" (a review of the highlights of the Beijing Olympic Games) scheduled for a period after the conclusion of the Games. These promotions were held in 30 major shopping centers covering 25 cities across China. Primarily, this effort was designed to strengthen Li Ning's association with major shopping centers in the country and further promote the brand. In total, Li Ning sponsored teams that won 27 of the 51 gold medals awarded to the Chinese Olympic delegation (Li Ning Company, 2008).

On the international front, Li Ning sponsored basketball (men) teams from Spain and Argentina; the women's basketball team from Argentina; the Swedish, Spanish and American Table Tennis teams and Sudan's track and field athletes. All were clad in the Li Ning uniforms aimed at enhancing their international reputation (Moore, 2008).

Generally considered Li Ning's biggest coup was his deal to have all TV hosts, news presenters and reporters on China's CCTV Sports Channel wear Li Ning branded apparel, footwear and accessories. The company also provided apparel to news presenters and reporters on the Olympic Channel. Such actions allowed the brand to reach billions of consumers (Fong, 2008).

Interestingly, Li Ning's deal with the U.S. table tennis team cost a fraction of the \$80 million that Adidas paid as an official Olympic sponsor. Similarly, having Shaq endorse a brand in China is considerably less expensive than in having him wear Li Ning branded shoes in the United States. It has been said that Li Ning was the most efficient marketer for the Olympics in terms of spend vs. return (Balfour 2008).

It has been reported by CTR Market Research that 34% of respondents misidentified Li Ning as being the official Beijing Olympics sponsor (CTR, 2008). In addition, according to Reuters, investor analysts said the company was expected to benefit from the big marketing push provided by the globally telecast event. Indeed, the stock rose more than 4 percent on the Monday after its chairman lit the cauldron at the Olympic opening ceremony. The stock had rallied 3.7 percent on the Friday before the opening ceremony amid talk that former Chinese gymnast Li Ning would play a key role at the Olympic opening ceremony (Reuters, 2008b).

After the Olympics, in October 2008, the company signed on as a "Diamond Partner", the "highest ranking" sponsor for the Hong Kong 2009 East Asian Games. Li Ning will supply a specially designed range of professional apparel for the torchbearers, official staffs, referees and volunteers of the event (Li Ning Company, 2009b). Their American style marketing program had now come full circle from where it all began at the 1990 Beijing East Asian Games.

Was the marketing activity pursued during the Olympic year successful? The answer seems to be a very clear "yes". Revenue, operating profit and profit, before income tax, all major yardsticks of success, has increased over 50% in 2008 as compared to 2007 (Li Ning company, 2009a).

CONCLUSION

Defensive marketing strategies and ambush marketing strategies, though contrasting, seemingly proved quite successful for Coke and Li Ning. The defensive

strategy exhibited Coca Cola was a textbook study on how this kind of strategy should be implemented. The ambush strategy as exhibited by the Li Ning Company, on the other hand, was a perfect example of a strategy well suited for a young, aggressive company with limited resources.

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USING MINI-CASES TO TEACH MARKETING ETHICS: LEARNING GOALS, DELIVERY AND ASSESSMENT

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ABSTRACT

During the last ten years, the United States has witnessed an unprecedented number of ethical missteps among American corporations. These ethical breaches have caused shareholders to lose billions of dollars, corporations to go bankrupt, innocent employees to lose their jobs, and a trusting public to lose confidence in corporations and corporate leaders. Responding to this spirit of concern, as well as new accreditation standards that require enhanced ethics instruction, many business schools are seeking to improve ethics education pedagogy. Research suggests four reasons for ethical lapses, including (1) ethical myopia, or underdeveloped personal ethical standards; (2) ethical muteness, or failing to speak up when an ethical violation is suspected in their organizations, (3) inadequate written ethical standards and cultural norms present in the organization in which the executive operates, and (4) favoring one group of stakeholders over another in decision-making. All four of these deficiencies are correctable through education. Accordingly, the purpose of this paper is to identify how one-page ethics mini-cases can be incorporated by faculty to enhance the student's ability to behave ethically in a corporate environment. The paper identifies appropriate learning goals, describes how mini-cases can be incorporated into marketing classes, and then shows how grading rubrics can be prepared to assist in the assessment of student achievement.

Three different mini-cases are provided as examples for teaching ethics in an undergraduate marketing course. Two of the cases are one-page in length and can be used effectively for classroom discussion without prior reading or preparation by the students. Students can be assigned to groups of two or three students each, asked to read the case, discuss it amongst themselves and prepare answers to case questions for later presentation to their classmates. The first case is called *Cheating Scandal Rocks University*, and it describes an actual situation involving ethical muteness that occurred on a college campus. The second case is called *Medical Ghost Writing at Merck*, and it describes a situation in which a major pharmaceutical firm colluded with famous scientists to get them to endorse research they didn't perform. The third mini-case is a little longer because it contains some important reference materials. *Preferential Vendor Treatment at Wal-Mart* takes a look at actual Wal-Mart ethics policy statements and then applies them to a murky situation involving accusations of executive impropriety with vendors. Other mini-cases can be developed readily by adapting news stories from the business press.

The use of mini-cases can facilitate Assurance of Learning (AOL), a continuous improvement process where data about student learning is collected and used to identify improvements needed to the educational program. AOL proceeds from the idea that one must first, articulate learning goals, then assess student learning results against those goals, and finally, apply results to improve student learning. Mini-cases lend themselves to embedded measurement with rubrics, and a recommended rubric is provided.

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ETHICS, EQUITY AND WATER

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Abstract

This paper lays out the scope of the problem and opportunities in water purification using a Nicaraguan case experience. Ethical issues of trying to bring clean water to those at the base of the economic pyramid are developed and discussed.

INTRODUCTION

Four million people die each year from drinking unsafe water. This figure includes the children, who die at a rate of one every 15 seconds (Hydraid). Water borne illnesses are killing more than 5,000 children each day). In a world of unprecedented wealth, almost 2 million children die each year for want of a glass of clean water and adequate sanitation (United Nations Development Projects). Unfortunately the solution to this problem requires solutions to bewildering mix of technical, market and cultural problems.

Why the authors?

The authors did not seek to work in the area of water quality, but they were asked to help one specific water program based on a philanthropic model of distributing water filters. The sponsors had determined that their philanthropic model of distribution would not meet the United Nations Millennium Goals. They needed to try something different. So the authors began the journey of learning about water and its issues for humanity. Think of the authors as explorers who are trying to understand the issues and here is where it stands at the time of this writing.

Types of Pollutions

There are many types of pollutions that can contaminate drinking water. Some of the ones that the authors have become familiar with are: arsenic, biological, chemicals, heavy metals, metals and solvents from industrial work. In the biological area these include bacteria, giardia, cryptosporidium, E. coli, parasites amoeba, viruses, protozoa etc. and anaerobic microorganisms. Chemical pollutants are frequently from runoff of fertilizers and pesticides

often in the form of nitrates. These pollutants are very common in both rural and urban areas. In the

rural areas there can be pollution due to livestock, and human waste. Since many of the world's poor live in rural areas this is a common form of pollution but not exclusive (water-pollution.org.uk).

Heavy metals, such as arsenic and mercury, can occur naturally or be the result of industrial activity. There are 23 heavy metals that can be part of the water cocktail, depending on that environment, manufacturing, and run off. (Life Extensions 2009) Chemical pollution is a big issue in our world as humans use more and more chemicals and then try to dispose of them. These chemicals leach into the ground water, rivers and lakes altering ecology of the area and making the water dangerous to drink.

BOEP – BASE OF THE ECONOMIC PYRAMID

People living at the base of the economic pyramid consume most of the problem water in the world. The base of the economic pyramid is defined as the bottom two thirds of the people in terms of resource consumption, (World Resource Institute, 2006). Two of the Western Hemisphere countries that have high percentages of people who live in poverty are Haiti and Nicaragua, (Gilbert, Goeffrey p 6). What's it like at the bottom of the economic pyramid?

First, many of these people live on less than a dollar a day have few choices in life. They must choose between food and anything else they want. So if grandmother needs medicine as simple as aspirin that may mean eliminating something from the diet. Food tends to be whatever crops are possible to grow in the area. Since meat is expensive to produce, their diet contains little of it. People at the base of the economic pyramid have little freedom of choice as they get up in the morning.

If you would journey with the authors to the base of the economic pyramid you would visit homes with latrines in the backyard. You would eat food cooked

on wood fires after hour spent gathering the fuel. You would get water wherever it was found and be happy to have it. You would sleep on beds made of wood, a webbing of old tires and a mattress filled with dried plant material. You would eat rice, beans, cabbage, and fruits of the season. If you were lucky there might be an extra chicken every once and a while. Transportation is often oxen, mules, donkeys and bicycles; very simple transportation that can be used to work the fields.

If you went with the man of the family to help with the backbreaking job of tending to the rice, you would learn a lot. You would hear how he works for six months to bring in a crop. At the end of the six months, if he is lucky, there will be three huge bags of rice, two for the land owners and one for his family. If the mice, rats and insects do not get too much of the food, the family will have a base from which to eat for the remainder of the year.

People living at the base of the economic pyramid are worried about today's survival of their family and rarely can think about tomorrow. They have to spend money on what they see as needs. Many of them do not see the problem with the water. Their parents and grandparents drank the water in the community so what is the problem with the water? People can see an immediate benefit to a cell phone as they can communicate which they could not before. A Television brings status and the outside world. The benefits are obvious. It is not so obvious with water. Nothing really changes in your life if you drink several glasses of clean water.

Size of Systems

Most people who live at the apex of the economic pyramid think of water has coming from one or multiple taps in the house. In the case of the centrally distributed water it is usually purified in huge plants. These plants clean (make it clear) and purify the water before it goes into the pipes. This is really a luxury for most of the population of the world.

The authors have observed and read about four different kinds of water distribution systems.

Community systems

Community systems are designed for the whole village or the whole city. They may get water from any source including wells, lakes and rivers. Water is often then cleaned and purified before going into the civic system. Cleaning the water gets rid of the turbidity that may or may not include contamination. Purifying water is bringing it to the local standards for potable water. Water is then distributed to the

community through plastic, cement, metal or bamboo pipes. In many places at the base of the economic pyramid the water goes off and on depending on the supply of electricity, ongoing construction and maintenance. One has to wonder not about the water as it leaves the processing plant but as it travels through a system that has been stopped and started, and disrupted for repairs, cross-connections and natural disasters. Is the water clean when it exits the system?

Neighborhood systems

Neighborhood systems serve small groups of families or businesses. At the base of the economic pyramid there are usually many small stores in a community of any size. The neighborhood store is where you go to buy ice, water, and food for the day. The neighborhood system needs to be big enough to provide water for several families. The authors have not seen many products aimed at this neighborhood grouping. It is a logical grouping as there are usually wells for the neighborhood, and often neighborhood groups will go to the river for water, or gather wood together. It seems to make sense but has not been developed yet.

Family systems

Family systems are the most popular after the community systems. In the United States your water softener is probably a family system. At the base of the economic pyramid family systems are often delivered using a philanthropic model. You and your organization decide to do a service project in Africa, Asia, or Central America. You find a filter provider and get the necessary training to install the filters. You raise the funds to buy the filters and pay for your travel and you are off to work in the village. There you visit and perhaps stay with the local families assigned to you. You share with the family how to assemble, maintain and use the filter. When you are done there may be a celebration and many words of thanks. Hopefully you feel satisfied and the filter works well into the future. This is a personally rewarding way of addressing the water problems one family at a time.

Individual systems

Individual systems have been developed and used for camping in the developed world. There have also been a number of products developed for individual use based on something you can carry in your pocket or on a lanyard. The beauty of the straw type is that if you are anywhere there is water you can use it to obtain water by inserting one end in the water and

sucking. The micro filters clean out many undesirable contaminants. Initially this seems easy but there are all kinds of potential for problems in use.

If there are all these filters why are the authors even focusing on water filtration? The challenges are in several areas.

1. Cost – many of filters work for families but are expensive in relation income.
2. Sharing -- is a big factor amongst those who do not have much form the author's experience. People will share water bottles, phones etc. Working hard to get some water purity some of the time does not do much to eliminate the problems of poor water.
3. Cultural – what is culturally appropriate way to deal with the water issue? In all of the authors' programs the goal is not to change the culture but to provide the communities being what they are asking for in terms of knowledge and education. If a community does not grasp its need for cleaner water then they should not be forced in the authors opinions.
4. History – If you go on a tour of villages known to have bad water you will observe the remnants of many previously donated water filters. The authors have observed remnants of systems provided by the Nicaraguan Ministry of Health the European Union and others.
5. Understanding – from many conversations it seems apparent that people do not know what contaminates are in their water. In short, they do not recognize the need!

Products and approaches

To date the authors have come up with several types of filters that either are in use or are in development.

Activated Charcoal

These are very popular in the top of the economic pyramid. You may have one attached to your faucet or in a pitcher in the refrigerator. They remove odors, bad taste, and chlorine from drinking water. They work by absorbing some chemicals and impurities. However, many chemicals contaminates easily get past charcoal filters (How Stuff Works).

Arsenic

Arsenic is a natural occurring heavy metal in some water sources. LifeStraw® and Dean Kamen's Slingshot, a vapor compression distillation system, can remove arsenic from water. The authors became aware of the problem at FAREM University in Estelí, Nicaragua. Due to the fact that some wells contain arsenic in the region there is an effort to come up with a simple but effective method to adapt the biological clay filters to also clean out the arsenic. Success has not occurred but the project is a continuing.

Chlorine

Chlorine is used throughout the world to clean water for human consumption and other uses. It seems to be effective in terms of the biological hazards but leaves unchecked the metals, chemicals and arsenic. It works well in community systems and bottling plants where water can be reprocessed after treating to make the test as good as possible. It apparently is not as good and is expensive for smaller than community systems. Most people do not like the taste of chlorinated water, especially people who are accustomed to water without chlorine. Many hold chlorine responsible for the illness of newborns.

Clay

In 1981 Dr. Fernando Mazariegos developed a filter of clay and colloidal silver. After the devastation of hurricane Mitch in October 1998 Potters for Peace helped to develop a manufacturing center in Nicaragua. They have since set up many centers using Mazariegos' design to filter out bacterial contamination, (Potters for Peace). Many of these have been observed in use. If the household can remember to refill the filter each night then the next day they have clean water to drink. If they forgot to refill it then they would have to resort to drinking from other sources of water. This technology of the clay filter is available in many forms. Why has it not spread more and faster? Unfortunately these filters are slow and expensive. A typical clay filter costs twelve dollars and filters 4 gallons every 12 hours.

Small quantities of water – the average US family use 400 gallons a day (EPA). Imagine the problem to clean enough water on your counter using osmosis. If you wash dishes with contaminated water then what are the chances that the contamination is on your plate or glass? Monterey Institute of Technology in Mexico has been refining the clay filter now under

the name Klaraqua, in an attempt to make it more market friendly.

Sand

Sand Filters were adapted to household systems from the ancient slow sand filters use as a basic method of cleaning water. They have several advantages: They can usually be constructed of local materials, easy to assemble and understand durable, comparatively low maintenance, remove turbidity good microbial removal, and a good flow rate (Clearinghouse). Early sand filters were made of concrete. Today the filters are made using plastic buckets. Given a tall slender garbage can imagine starting at the bottom with small rocks, followed by pebbles and two levels of sand. Water is poured in the top through a diffuser and then filters through the sand and finally at the spigot or output device.

Solar

Solar is used in two ways. First it is used in a distillation process heating the water by the sun converting it to steam that rises to a cover and then condenses in a collector. This is a very simple and reliable method if you have access to a lot of sunshine. The second method is based on the ability of Ultra Violet Rays and temperature to kill biologicals. This method can be implemented using plastic bottles of water on a roof top. It is easily replicable at low cost (FreeDrinkingWater.com)

Straw

The concept of a straw is a personal water filter that you can easily carry with you in a pocket, on a lanyard so it is readily available. The straw is applied to problems at the bottom of the pyramid by LifeStraw®. It is a great concept, if you are working in the field or going a distance to gather wood, or food for the family. The problem with straw filters as they are relatively expensive, and you need one for each member of the household. Still uncovered is the dish washing, teeth brushing and other places where water is used that contamination may occur.

NICARAGUAN CASE

The authors have worked in Nicaragua for five years and developed relations with two major universities a national private university UPONIC and a regional university based in the beautiful mountain city of Esteli, FAREM. Building off these established relationships meetings have been held to think about this issue of how to get more clean water

to more people. FAREM has chosen the villages known to have pollution to look at and guided a tour to those villages so the authors could understand what the situation is really like.

Table 1. Level of distribution and the types of filters based on the authors' knowledge

Level of Distribution	Individual	Family	Neighborhood	Community
Activated Charcoal		X		
Arsenic Developing	X	X		
Bottled water	X	X		
Chlorine	x	X		X
Clay	X	X		
Sand		X		X
Solar	X	X		
Straw	x			

Much was learned visiting the villages: First it was clear that people had been there before with filters. Repurposed buckets labeled filter including instructions were being used on a many farms. While the authors had been assured the water was contaminated as verified by university's tests, the villagers explained that the water was pure and their family had been drinking it for generations. In one village a trip to the large community well turned up water that looked beautiful but it was contaminated.

In addition to the contaminated well the villagers draw water from what might be called dry or seasonal wells which have water in the rainy season. When the seasonal wells are dry, they move to what readers might think of as a cow or farm pond. It serves for that purpose, but also for laundry and drinking water. In the driest part of the year the villagers have to go an hour trip to the river for water on foot or by horse. Here you have a good example of multiple sources of water and potentially multiple sources of contamination which is one of the great challenges of providing clean water to this and many like communities.

Ethical

The authors are not ethicists. However, here are some of the ethical issues of the heart that have surfaced in this project. First there is the temptation to want to contaminate the study villages by giving

out filters so the adorable children you see may get healthy water to drink, and thrive. This is an age old conundrum do you risk a few to save many? It only gets harder the more you learn about water and health. The second problem that it does not appear to be technology problem as was suggested in the meetings in the US but rather a cultural problem as they have had the filters but are not using them. Why do they not use them and maintain them? What could be done to get them to use and maintain the filters? The people who do this seem to feel it is worthwhile. How to engage without interfering with the culture is the problem. This is business and marketing problem.

What is the morality of the sale of water? Until recently in the US water was basically a free good wherever you went. Today people seem to prefer to buy the water in plastic bottles! Is free water a right? Is free potable water a right? Are children's rights greater or lesser than adults when it comes to water? If a model of selling water is chosen and that is a real possibility to add value to the potable water, then where does one start? It may take years to spread so do you choose by convenience or need? If you claim the water is potable does it need regular checking? Who does the checking and certifies the water is free of contaminates? Who insures the filters are maintained? This is all taking a long time and what are the ethical problems in not having found a champion yet?

One of the early puzzlers to the authors was the presence of cell phones before pure water? These are sold and seem to provide immediate perceived benefits which the water may not as yet. If water could be perceived to be an immediate benefit that might help the cause. It is not easy when people have been dealing with the same problem for generations and do not know it is a problem? Where do you start? Should you start with telling them that they have a problem and then not fixing it?

SO WHAT?

The authors plan is to continue to work with local universities on developing a culturally sensitive plan and letting them lead the decision making. The goal is to come up with a better method that is culturally appropriate. Since the authors travel to Nicaragua several times a year movement continues, if slowly. The Nicaraguan or US Universities clearly do not see this as a project that can to be rushed. Hopefully the authors may be a spark to igniting a desire for change, adapters of technology, and offer new ways of thinking about the market.

In Nicaragua the time may be growing shorter because the population continues to grow putting

pressure on all systems in this impoverished country. Further change is coming that may cause other problems. Water boiled for coffee in the traditional rolling boil on the wood fire with the grounds in the water, boiled once, twice, and again with sugar and then served strong, hot and sweet is changing. Copying what is seen on TV the simple coffee makers are penetrating the homes. Feminists may shout, "Yes!" when the electricity is working as the woman of the house will not have so much work in making coffee. For you, thinking about the ethics of water there is no longer the extensive boiling and thus the once safe to drink coffee may no longer be safe to drink. The challenges are many and one has to think carefully with local colleagues of what might be appropriate.

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STATISTICS IN THE MARKETING RESEARCH CLASS: THE IMPORTANCE OF AN UNDERSTANDING OF VARIABILITY

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ABSTRACT

Understanding the concept of variability is critical when interpreting statistics. Students, however, have difficulty understanding data variability and its role as a foundational construct for the whole statistical analysis process. In classes that teach or use statistics, emphasis should be on understanding data variability and its relationship to statistical measures instead of on memorizing formulae or analysis techniques.

INTRODUCTION

Statistical thinking has been considered one of the keys to successfully learning and applying statistics. Anyone who has taught a course that applies statistics has to have wondered how to move students' analytical skills toward thinking in statistically relevant ways.

Statistical thinking has been defined in a Six Sigma context as "the process of using wide ranging and interacting data to understand processes, problems, and solutions" (Niles 2002). It involves understanding the entire investigation process including why and how data for such analyses are collected, processed, and reported. That definition also pretty much describes the activities of marketing research data collection and analysis.

Researchers have found that statistical thinkers, like statisticians, acknowledge the omnipresence of variation, consider variation when collecting data, and ultimately in quantifying and explaining that variation (Moore, 1990). Moore suggested that understanding variation was at the heart of the process of statistical thinking.

Variability is one of critical concepts in statistics that students need to digest in order to solve statistical problems. Statisticians sometimes attempt to minimize variability, sometimes to maximize, and at other times estimate or simply "analyze" variances (Gould, 2004). Maturity of statistical thinking relies heavily on a complex relationship with variability (Gould, 2004). Statistical thinking about variability seems to play the role of a bridge between naïve conception and more professional thinking process about statistics (Gould, 2004).

"Variation is the reason why people have had to develop sophisticated statistical methods to filter out any messages in the data from the surrounding noise" (Wild and Pfannkuch, 1999). Statisticians in many different applied disciplines say the primary objective of statistical problems is to find sources of variability within a system and determine which were caused and which were natural variations.

For students obtain a productive level of statistical thinking, they must first understand the concept variability. The objective of this paper is to discuss that gap in understanding and identify the obstacles that have contributed to the difficulty. Then strategies will be suggested to remedy this problem which has prevented students of statistics from grasping the fundamental concepts of variability that support the rationale of statistical thinking.

BACKGROUND

Lann and Falk (2003) said "we use variability, dispersion, spread, and variation interchangeably to designate the concept, or idea, of individual differences, in contrast to technical terms as variance or range, that are expressed in a formula and give a specific definition to that concept." In statistics literature, the term variability is used closely with the term variation (Reading & Shaughnessy, 2004). Variation is a noun used to describe the act of varying or changing condition or the extent to which a thing varies, while variability is a noun form of the adjective "variable" meaning that something is apt or liable to vary or change. Although some researchers use those two terms without much distinction, the term "variability" will be taken to mean the characteristics of data that are observable, and the

term “variation” to mean the describing or measuring of that characteristic.

Definition of Variation

Moore (1997) provided a general definition that variation is that which is not pattern. In data analysis, people find variation in contrast to pattern. Variation in data analysis can be divided into explained variation and unexplained variation. Explained variation is variation that has a regular structure, a structure that can be defined by a model and considered as “signal.” Unexplained variation is leftover variation that is not explained by the statistical model and is considered as “noise.”

Role of an Understanding of Variability

Variability is considered one of main concepts a lot of statistical thinkers such as statisticians use to analyze data. The importance of variability is described by Wild and Pfannkuch (1999) as playing a central role in statistics – “without it, there would not be a need for statistics.” They suggested that: “Variation is the reason why people have had to develop sophisticated statistical methods to filter out any messages in data from the surrounding noise” (Wild and Pfannkuch, p.236). Statisticians in many different applied disciplines consider the primary objective of statistical problems to be to find sources of variability within a system, and to determine which were caused and which were the results of natural variation.

Understanding variability helps flexible and creative minds learn statistics. Gould (2004) believes that variation is the fuel of statistical imagination. Consideration of variation drives the analysis by provoking the statistical imagination to explore alternative models. An important reason for focusing students’ attention on variation is to encourage them to think not in terms of procedures (e.g., Which test do I apply here?), but instead to exercise their statistical imagination in order to understand the real issues behind the data, to “tell the story embedded in the data.”

Importance of an Understanding of Variability

Variability is important in many areas of statistics all of which are conceptually connected to each other: sampling, quantification, exploring, analysis and presentation of data, etc. As soon as students start learning statistics, they start facing variability. Real data always have some deviation and cannot be perfectly fit to models and equations. Students need to learn how to discover the presence of variability

from beginning data exploration to advanced levels of statistics requiring analyzing, modeling, and interpreting variability.

One example is of a measure of variability is standard deviation. A form of it is a measure that is present in statistics of many different forms. Standard error expands on standard deviation and becomes the unbiased estimate of the true population standard deviation. Standard Deviation is represented through the standard error within the Central Limit Theorem, a concept which shows how the sampling distribution’s variability changes as sample size changes. Standard deviation is also important since it is applied in modeling and data analyses such as correlation, regression, and ANOVA.

Achieving an Understanding of Variability

How to achieve an understanding of the concept of variability has not been researched enough and traditional curriculum does not emphasize it much. Variability is not paid enough attention in typical introductory statistics courses although it plays crucial roles in statistics. Many statistics curricula focus more on central tendency rather than on variability. A curriculum that has focused more on centrality may reduce the ability of students to deal with variability in real data. The analytical skills needed for solving statistical problems depend on a deep understanding of variability concepts. Often students in statistics classes tend to simply memorize formulae and just plug data into techniques. To better serve statistical education, teachers and researchers should conduct more studies of statistical thinking processes and explore ways that variability can be taught more effectively (Ben-Zvi and Garfield 2004, Konold and Pollatsek, 2002).

The inherent importance of variability in statistics education has brought about a need to know how students reason about variability. Insights into students’ reasoning about variability can help teachers understand the way they think about variability and provide insights into how to assess their reasoning about variability (Garfield et al. 2006).

Many very basic statistical concepts are based on variability including, for example, range, inter-quartile range, standard deviation, and midrange. Among those, standard deviation appears to be one of hardest concepts for students to fully understand and apply to real problem solving. Many introductory level statistics courses teach standard deviation (SD) as part of summary statistics. Often, however, the focus is on calculating SD using a formula that students often find to be complex and difficult to understand conceptually. Students might earn high

grades by memorizing that formula and providing interpretations on test results, but after the class, they do not appear to retain the concept of standard deviation as a measure of data variability nor are they able to apply it appropriately (Mooney 2002).

Although students may have memorized the formula to calculate standard deviation, researchers have found that they were not able to connect different elements of standard deviation, to explain how standard deviation worked in real data, nor to detect other forms of standard deviation in statistical modeling and data analyses (Watson and Kelly 2003, Reading and Shaughnessy 2004, Mooney 2002, Shaughnessy et al. 1999).

Mathews and Clark (1997) examined undergraduate students' conceptual understanding of standard deviation as a measure of variability based on Action, Process, Object, Schema (APOS) theory. APOS theory was developed based on Piaget's ideas concerning the mental activity known as *reflective abstraction* in which the lower level of conceptual understanding is instrumental to going to the next level, i.e., action is viewed as a prerequisite to process (Piaget and Garcia 1989). (See Table 1)

Table 1 - APOS: Action, Process, Object, and Schema

<p>Action is a stage of transformation of objects to obtain other objects.</p> <p>Process is a stage when an action is repeated, and the individual reflects upon it, it may be internalized into a process. This level allows someone to describe, or even reverse the steps of the transformation without actually performing those steps.</p> <p>Object is a stage that someone can understand individual properties of a concept and able to think of them as a totality and then can construct transformation.</p> <p>Schema is the last stage of conceptual understanding which enables someone to coordinate two or more actions, processes, or objects and then compare and contrast them.</p> <p>Mathews and Clark (2007)</p>
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The results of their study found none of the students surveyed had a mature understanding of standard deviation as a measure of data variability. Most thought of it as a formula they needed to learn, but

did not understand why it was used. None had achieved the last or *Schema* stage of the learning process (Mathews and Clark 1997).

Clark et al. (2003) extended the above study of introductory statistics students. They also found students who had achieved object conception of SD, but their ways of reasoning were divided into two distinct tracks in the development of their process of achieving that conception. One group considered SD as the measurement of successive distances from the mean thus showing relational understanding of the process of computing the SD which is instrumental understanding of SD. The other group considered SD merely subtraction and squaring of numbers with no cognitive link to the concept of distance.

In both groups, the algorithm of computing SD was internalized in the abstract sense: input data, perform calculation, and output a number. But the groups with an instrumental understanding of SD did not demonstrate the conscious connection between the resulting SD and the mean. Two students in this study demonstrated rich and appropriate object conception of SD. Those two, however, already had a strong mathematical background, i.e., one had engineering degree and the other had two semesters of calculus.

Other studies about the understanding of standard deviation have also shown how it is difficult for students to have full understanding of SD by both formula and distribution (delMas and Liu 2003). Recognizing all the elements affecting SD was best after teacher prompting and subsequent practicing with those elements. Integrating elements of SD was harder for students to achieve. Sometimes they were confused about the role of SD relative to other concepts or had incorrect constructs related to them (i.e., Z score and Central Limit Theorem). Students had cursory and fragmented levels of understanding which they expressed as range, mean, middle, or far away. Some showed much closer approximation to an integrated understanding such as bell-shaped rules, more values in the middle, far away from the mean.

Still, students had difficulty in having consistent and correct conception of SD using terms such as "equally spread out distribution" and "big mean." While integration of elements of SD appeared to be achieved partially, students tended to use rule-based and compartmentalized approaches in their discussion of SD. Some tended to apply a single, integrated conception of SD to all situations. Others recognized when a characteristic distinguished two distributions without considering other features in the distributions.

DISCUSSION

Statistical conceptualization of variability has recently received more attention by statistics researchers and educators in recognition of its importance for statistical thinking. Variability is found consistently within each stage of the sequence of data exploration, presentation, summarization, and analysis. Understanding the complexity of variability in relating one concept to another is critical for appropriate statistical thinking.

To find out how statistical thinking operates, researchers have explored areas in statistics to show where students recognize variability and how their understanding of variability occurred. Students were found to show only partial recognition of variability and showed weakness in connecting elements of variability.

Through their variability studies, some researchers tried to show variability understanding grew according to hierarchical models such as Action, Process, Object, and Schema (APOS). Those findings implied variability concepts could be taught and exercised from an elementary level and grown to a mature level of statistical thinking (Mathews and Clark 2007). Those results also suggested that when knowledge of the lower levels of the concept of variability were not established, it was difficult for the student to master higher level variability concepts and subsequently achieve a working level of statistical thinking.

Prior research also found that students' lack of understanding of standard deviation (SD) was an example of how statistics courses had failed to teach a flexible and conceptual understanding of variability. Students remembered they had learned about a formula for calculating SD, but did not appreciate the role of SD and how all the elements of SD integrate as a measure of variability. Considering SD is applied to many statistical analyses and data explorations, the importance of SD needs to be recognized and how it is taught is foundational to students' perceptions of variability and may be key to better performance in classes such as marketing research that apply statistics analytically as a problem solving process.

CONCLUSIONS AND IMPLEMENTATION

The application of statistical concepts in the marketing research class is generally a catch up process through which the professor attempts to correct misconceptions and motivate students to finally recognize that statistics is an important and vital career tool and not just a course that went away

with the end of that sophomore class. The goal in the marketing research class should be to achieve a working level of skill at "statistical thinking." That concept was defined earlier in this paper as "the process of using wide ranging and interacting data to understand processes, problems, and solutions" (Niles 2002). The marketing research class moves beyond the basic statistics class to present an opportunity for students to attain an understanding the entire investigation process including why and how data for such analyses are collected, processed, and reported, in other words to become analytical "statistical thinkers." The concepts of variation, with standard deviation as one example, are foundational elements of statistical thinking and subsequent analytical problem solving in marketing.

The challenge, of course, is how to engage the students so that they will make the effort to actually learn the research process and the important statistical concepts associated with it. That requires a move away from traditional approaches based on lecture plus memorization of formulae and analysis techniques such as wrote significance statements based on printouts. What is important is not that students are able to memorize formulae to calculate statistics, but rather that they are able to connect different elements of statistics and explain how they work with real data to achieve insight and understanding of the stories hidden in the raw data.

The Central Limit Theorem has been a traditional starting point for teaching statistical analysis in marketing research classes. Instead of lecturing and showing pictures of the curves and the vectors representing the theoretical multiple responses, one might engage the students in a process of discovery. One way to accomplish that is by bringing a bag of pennies to class and giving each student four of them. Have them cup the pennies in their hands, shake them, drop them on the desk and record the combinations of results. Each student does this 10 times and records the results.

Once completed, the results for all of the students' distributions can be combined and plotted on the board, or alternatively in an Excel spread sheet on the instructor's laptop and a curve plotted for the students to see. A follow up for reinforcing their learning experience might be to use a software program such as the one that comes with the text, *Visual Statistics* by Doane et al. (2001). The *Visual Statistics* software can be used to show how increases in sample size influence the graph of the sampling outcomes with real time plots demonstrating effects of changes in the sample assumptions.

Some students learn visually using software such as *Visual Statistics* while others may learn best through a kinetic process such as described above.

For both of these types of students, however, their interest in statistics will be increased if they see more directly how that knowledge can serve their needs in the future. Since they have not been out in the business world and experienced the need for or had the appearance on their desk of the results of a research project which they were expected to comprehend, they generally have a great deal of difficulty grasping why they need to learn that material. They do not understand that it is not going to go away after the course ends, but rather will become a pervasive element of the future work environment for many of them.

Marketing research is usually considered one of the toughest courses students take. Not because the material is all that hard, but because it is not intuitively obvious to them why they need to know it. The material is often abstract to them, almost like a foreign language course. There are lots of new, strange words and concepts to learn in each chapter and very little, if any of it intuitively obvious in meaning or application. I had a student tell me once that she did not need to know the material, only survive the course with a grade of C. Interestingly, after graduation she wrote me and informed me that because of her “experience” with SPSS in my class, she had been hired by a marketing research firm. Yes, I do hand out copies of that letter in my research classes.

It is commonly stated in marketing courses that people do not simply buy products, but rather they buy solutions to problems. That concept can also be used to create value in the context of a course like marketing research. If the professor uses every opportunity to link knowledge of each component of the statistical process to some specific type of future scenario with which the students can identify or relate, their motivation to learn the statistical concepts will be greatly enhanced. Hypothetical business meetings in which research results are being discussed is one format that often seems to get their attention.

To the extent that students can relate to a clear future benefit, and opportunity to stand out from the crowd, to save the company from a mistake from misinterpreting a survey result, to be able to point out the flaw of poor sample or even a biased focus group; they will be better motivated to seize the opportunity to gain an understanding of what they are studying.

Text books could benefit from a different approach within the statistics chapters. They tend to present the statistics with lots of formulae which students may be expected to memorize. Some texts try to supplement parts of the material using boxed in examples from business which are intended to exemplify their points in the text. Perhaps, in the

chapters on statistics, that concept could be expanded to include additional applied examples in which the authors provide scenarios representing examples of an individual like the student who is in a meeting and listening to a presentation. Such scenarios should showcase how a future employee, using the concepts in that chapter, would handle phrasing or asking questions of the presenter about their mistakes or misrepresentations, or for clarifications of the analysis being presented. The goal is to establish that there will be definitive future benefits for the current student if they have this knowledge when they are later an employee presented with an opportunity to deliver the value of this knowledge to their employer.

Yes, there are exercises at the end of the chapters which set up problem scenarios, but they are just that, problems and not demonstrated ways for an individual to engage in a discussion by asking relevant questions or offering alternative solutions. What the students need are models of how they can implement their new understandings, not more problems that they can mechanically solve by applying the equations and thus “survive the class.”

Approaches to marketing research classes that engage the student in learning concepts by illustrating benefits which they can comprehend and using scenarios illustrating how to engage the subject in a future work environment stand a better chance of getting the students want to actually grasp the fundamentals of the material they will ultimately need to know.

Foundational to success in getting students to understand how to engage with statistics and to apply the concepts successfully is the acquisition of “statistical thinking” levels of understanding and the potential that level of thinking provides for analytical problem solving. Understanding the concepts surrounding variability in data seems to be where the problems with understanding statistics starts for students attempting to learn to think statistically both prior to and during the marketing research class. Without that basic comprehension, the marketing research class may become an exercise in survival for the student, a source of low teaching evaluations for the instructor, and a marketing graduate who is not very well prepared for her or his career in marketing.

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THE MARKETING RESEARCH PORTFOLIO: A MARRIAGE OF CONTENT AND PROJECT-BASED APPROACHES TO TEACHING MARKETING RESEARCH

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ABSTRACT

Perhaps one of the more formidable courses for both instructors and students is marketing research. According to Burns and Bush (2010), the two basic approaches to teaching marketing research are the content-based approach and the project-based approach. The content-based approach focuses on covering “as many marketing research concepts as possible over the term” (Burns and Bush 2010, page 10) with students being assessed primarily through examinations. Conversely, the project-based approach focuses on issues related to conducting market research culminating with a group project.

Traditional marketing research projects have been looked upon favorably because they provide the students with an opportunity for experiential learning and provide several pedagogical advantages (Humphreys 1981). However, for all the advantages, there are several disadvantages. For instance, prior to the start of the course, clients must be identified and screened. Further, expectations of and interactions with clients must be managed throughout the process. Similarly, course design also presents operational challenges with feedback suggesting that students often feel that they do not possess sufficient skills to begin a marketing research project until near the end of the term resulting in high stress levels and poor quality of work. Lastly, the extensive requirements of a comprehensive project typically result in group assignments, the use of which has its own well-documented set of problems.

Given the various concerns with either the content or traditional project approach, the authors developed the market research portfolio approach. A market research portfolio is simply a collection of active learning assignments that challenge the students to utilize the material covered in class. This approach addresses the dual goals of sufficient breadth of content coverage and maximization of the students’ active learning experience. Students implement various components of typical market research projects as they learn about them in class. Upon implementation of this course approach, course evaluations were seen to rise. Along with greater depth of knowledge and skills across a broad spectrum of content, perhaps, the most positive take-away for the students has been their finished portfolio. They realize that they have a huge binder documenting their individual research capabilities and are excited about using this during subsequent job searches.

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GENERAL MOTORS' MULTI-PRODUCT PRICING STRATEGY

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ABSTRACT

General Motors developed one of the earliest comprehensive multi-product pricing strategies. The paper reviews the original GM strategy and how it evolved in relationship to economic conditions of the corresponding time periods. Parallels between the changes made to the multi-product pricing strategy and marketplace results indicate that GM deviated over time from its original strategy, while competitors have adapted an approach similar to the original GM strategy.

INTRODUCTION

The ability of an organization to successfully implement multi-product pricing requires understanding possible product substitutions, price-points, and profit maximizing strategies while continuing to consider consumer preferences (Rusmevichientog, Van Roy, and Glynn 2006). Manufacturers within the automobile industry commonly use multi-product pricing tiers to differentiate their product lines (Cleveland 2005). The comprehensive use of this pricing strategy was first developed by General Motors in the 1920s as part of a process designed to create distinct market segments for the various GM divisions. Prior to the development of this strategy General Motors had a great deal of overlap in product prices. This is also a problem that has been cited in its current model lineup (Popely and Mateja 2007) and has recently resulted in a similar strategy revision.

In the economic downturn of 2008, General Motors saw its revenues decline by a large degree and later recognized that its excessive size and duplicate product lineup could be trimmed by eliminating products in the same segment as well as returning to clearly segmented pricing strategies that were implemented with great success by Alfred P. Sloan (Vijayenthiran 2008). In this paper a comparison is made between the historic GM price tiers and income levels. In addition, a comparison is made with a current competitor. The result of this comparison indicates that GM deviated from its original pricing strategy in a manner that was logical in the 1930s, however, from that point forward the changes that were made become questionable.

General Motors began as a collection of automobile companies that were combined through the efforts of William C. Durant. By the early 1920s Durant had put into place several lines of automobiles broken into

seven operating units that included Chevrolet, Oakland, Olds, Scripps-Booth, Sheridan, Buick, and Cadillac (Sloan 1963 p. 58). Alfred P. Sloan, who was to later become the legendary leader of General Motors, joined GM in 1918 as president of Hyatt Roller Bearing Company that was also part of the acquisition program undertaken by Durant. Early in Sloan's tenure he determined that the existing GM pricing strategy was not effective. Based on Sloan's initial findings, the GM Executive Committee in 1921 formed a special committee to review the current pricing strategy. The committee's recommendations resulted in a pricing system that differentiated the existing products and reinforced the public perceptions of these products in the U.S. marketplace. The new product strategy resulted in a line-up of brands that reflected the income demographics of the times and at the same time avoiding potentially harmful internal competition. The implementation of the new GM pricing strategy was completed in 1929 and by 1939 the prices of passenger automobiles industry-wide generally followed GM's pricing categories (Vanderblue 1939).

THE GM PRICING STRATEGY

The original GM pricing strategy reflected the U.S. income distribution that had existed prior to the economic reforms of the 1930s. The wide income distribution of the 1920s was compressed in the 1930s and GM eventually followed suit, compressing the pricing range of all its products. In order to make a meaningful comparison of the price range, it is appropriate to first compare the ratio of the highest priced model (Cadillac) to the lowest priced model (Chevrolet) in the GM line. As seen in Table 1, in 1938, the Cadillac-Chevrolet premium was 4.87. This premium had been declining since its peak in 1929 at 6.65, however, the

original premium in 1922 was very similar at 4.69 to the 1938 premium. In 1954 the Cadillac-Chevrolet premium had been reduced to 2.42, and by 2000 it had continued to decline to 2.13. In 1922 the mean price of a Cadillac was almost five times that of a Chevrolet creating a substantial difference in the price positions of these products, and also making for a wide range of GM prices across all divisions. By comparison in 2000 the average price of a Cadillac was only two times that of a Chevrolet, making for a much smaller difference in the prices of these two products and narrowing the entire range of the GM divisions. The differences between the early and later years of the strategy are actually greater than seen in Table 1 as it reflects average prices within each division. In the early years of the GM strategy there were a very limited number of models within each division, but by 2000 there were many models. Therefore in addition to the lesser level of average price difference between the high and low divisions, there are many more models with overlaps across divisions that are not seen in Table 1.

To further illustrate these price relationships, low and high income groups can be examined as it relates to the buyers that were at different levels as it relates to GM pricing. As seen in Table 2, in 1939 87.9% of U.S. households were categorized in a low income group and 1.6% of the population was in the high income group as recorded by the U.S. Census Bureau. This relationship changed dramatically over the following decades. By 1954 the low income group had decreased to 33.9% of the population and by 2000 it was 24.8%. By comparison, the high income group had risen to 4.8% of the population by 1954 and by 2000 it was 18.3%. The ratio of high to low income groups was 0.02 in 1939 but by 2000 it was 0.73. As GM reduced the Cadillac-Chevrolet premium in the 1930s through the 1950s it can be argued that GM's pricing strategy was appropriate as it reflected the change in income differentials as well as high marginal income tax rates. However, with the booming post-war economy and the higher income tax bracket reductions in the early 1960s, a return to a wider Cadillac-Chevrolet premium may have been more logical.

A comparison of the Sloan pricing strategy with current GM price levels can also be used to illustrate the pattern of the narrowing of the tiers. It also shows that there currently is a much wider range of prices within each line and that there are substantial price overlaps between lines. Table 3 illustrates these price levels and it also contains prices for comparable GM and Toyota automobile models by each division. Both Scion and Lexus are part of Toyota Motor Corporation that also markets Toyota products as a specific brand. Toyota Motor Corporation expanded its product line to include Lexus in 1989 at the high end of the market, and Scion at the low end of the market in 2004. The

addition of Lexus and Scion enable Toyota to mirror, or perhaps even copy the original GM strategy. However, rather than having five tiers, they have three. The Scion product represents Chevrolet's position as a consumer's first purchase and Lexus reflects Cadillac's position as the automobile to ultimately aspire to. The wider Toyota line represents the mid-price level tier that is comparable to Pontiac at the low end with models such as the Yaris, and it is comparable to Buick at the high end with the Avalon model. At the present time Toyota is the only Japanese firm with a full line, consequently the comparison in this paper was made with Toyota alone. Other Japanese automobile producers are developing full line strategies; however, they are not implemented at the time this paper was written. Nissan/Infiniti and Honda/Acura are not currently offering products at the very high end of the market comparable to Lexus, but are planning to do so. In addition, both Honda and Nissan are developing products that will be sold under a separate nameplate that will be comparable to Toyota's Scion brand in the near future. Within these more limited product lines, the price levels for comparable Honda and Nissan products are nearly identical to those of Toyota/Lexus.

In order to make a direct comparison with the GM lineup, Scion is matched with Chevrolet in the low price tier, Toyota is matched with Pontiac, Saturn, and Buick in the mid-priced tier, and Lexus is matched with Cadillac in the high priced tier. There is a different relationship between Toyota price tiers compared to those of the 2008 GM pricing, and in some respects Toyota appears to be closer to the historic GM pricing tiers. As seen in Table 3, there is some overlap between the three Toyota Motor Company price tiers, making this relationship similar to the 1938 GM pricing tiers, where little overlap also occurred. The exception to this is that the \$11,550 low price level for Toyota is below the \$14,550 low price level for Scion. This is because of the Toyota Yaris model that was introduced as an economy automobile in 2007 due to high fuel prices. Without this product the starting point of the Toyota tier would be \$14,405. Both Toyota and Scion have served as the starting points in the Toyota lineup. Both therefore can be related to Chevrolet, which was designed to attract new and young buyers to GM. The Toyota brand did this initially for Toyota, however the average age of their buyer increased over time (Naughton 2000). For this reason Scion was developed to obtain younger buyers and it was also developed at a lower price than Chevrolet.

What also becomes apparent is that the Toyota equivalent of the Chevrolet-Cadillac price premium is very closely related to the Sloan repositioning strategy price scheme. The highest level of the Scion tier is 28.0 percent of the lowest level of the Lexus tier, placing it between the 1921 pricing strategy premium (24

percent) and the 1938 Chevrolet-Cadillac pricing premium (35.8 percent). This suggests that Toyota in 2008 makes use of a strategy quite similar to GM's historic price tiers in a comparable pattern of products and price levels. This is not limited to this strategic aspect as even the process of parts procurement in GM's historic strategy is similar to what Japanese automobile firms practice in the early 21st century with dedicated suppliers and long-term innovative relationships (Schwartz 2000). Whether Toyota does this is based on market conditions in 2008 or with GM's original strategy in mind, the strategies appear very much the same. It is beyond the domain of this research to identify the processes that Toyota uses to develop its price levels, and it more than likely would not be possible to obtain as pricing policies are closely guarded. Whether Toyota develops its pricing strategy based on current market conditions or with GM's original strategy in mind, the strategies appear very much the same. Despite the current problems encountered by GM, the original pricing strategy was very successful and it played a large part in GM's rapid increase in market share after its implementation (LaReau 2008).

DISCUSSION AND CONCLUSIONS

The more recent duplicative product and overlapping pricing strategy at GM led to the unraveling of Alfred P. Sloan's strategy. In 2008 Toyota overtook GM as the world's largest automobile maker (Halliday, 2007; Nakamoto and Reed, 2007). This can also be seen in the current SUV market segment that did not exist at the time of the original pricing strategy and consequently did not appear in the previous analysis. In the SUV segment, General Motors has twelve models spread across eight brands. It neglected the fact that it was under developing car market segments such as the compact or subcompact class which had only four models. To satisfy the demands of the government, who had financially backed the ailing company during the economic downturn in 2008, GM restructured its product lineup and jettisoned Pontiac and Saturn. (George 2009). The decision to drop Pontiac from its lineup resulted from the label the restructuring team had given it as a "focused niche brand" (Maynard 2009). It is interesting to note once more that there is substantial price overlap between Chevrolet, Pontiac, and Saturn seen in Table 2, reinforcing the recent decision to eliminate Pontiac and Saturn. General Motor's decision to focus on developing Chevrolet, Buick, Cadillac, and GMC can be traced to the need to trim overlapping model offerings which it appears may have led to a lack of focus on clearly demarcating its pricing

strategy.

Although it is difficult to draw an empirical parallel between the marketplace success or failure of a firm and its pricing strategy, there is evidence based on the information reviewed in this paper that the original GM multi-product pricing strategy did change over time and that this change did take place as GM's market share was declining. There are three overall generalizations that can be made based on the material reviewed. 1) The original GM multi-product pricing strategy was modified over time to have a more limited price range from the lower to the upper tiers. This was originally consistent with economic and income trends but in more recent times it was not. 2) The purpose of the original price strategy was to eliminate internal competition and pricing overlaps. This was initially achieved but in more recent times the levels of internal competition and overlap between divisions became at odds with the original strategy. It should be noted that this problem also included other products that GM developed, purchased, or obtained an interest in that included Hummer, Saab, Subaru, and Fiat. These were not included in this review as they were outside of the domain of the original five product tier strategy. 3) Competitors, such as Toyota, appear to be replicating pricing strategies that are surprisingly similar to the original GM plan. This has resulted in marketplace success just as the original GM strategy did in the past. 4) The bankruptcy of GM and the subsequent actions that were taken are designed to eliminate product and pricing overlaps that will bring GM closer to the spirit of its original strategy and that of current competition. Whether or not the revised GM strategy will prove viable in the long term, the actions that have been taken are consistent with the multi-product pricing issues observed in this paper.

This paper has reviewed the past and current use of GM's multi-product pricing strategy. This is both an interesting and important marketing topic to investigate. The results of the analysis presented in this paper found that the GM historical pricing strategy evolved over time in a manner different from its original intent as well as being at odds with the economic conditions of later time periods. The review of the historical GM pricing strategy and how it compares with GM's current strategy presented in this paper sheds a new and different light on the issue of GM's recent market performance. There are several areas for additional research that include that the paper has focused on pricing; however, it would be beneficial to examine the use of pricing strategies in a fuller context including the use of advertising, distribution, and product development efforts by price segment.

Table 1. Cadillac-Chevrolet Price Premium

Year	Make	Price	Cadillac / Chevrolet
1922	Chevrolet	\$875	4.69
	Cadillac	\$4,100	
1926	Chevrolet	\$645	6.43
	Cadillac	\$4,150	
1929	Chevrolet	\$495	6.65
	Cadillac	\$3,295	
1930	Chevrolet	\$565	6.19
	Cadillac	\$3,495	
1938	Chevrolet	\$685	4.87
	Cadillac	\$3,340	
1954	Chevrolet	\$1,778	2.42
	Cadillac	\$4,308	
1984	Chevrolet	\$6,749	2.35
	Cadillac	\$15,866	
1990	Chevrolet	\$14,327	2.31
	Cadillac	\$33,194	
2000	Chevrolet	\$17,508	2.13
	Cadillac	\$37,331	

Table 2. Personal Income 1939-2000^{1,2}

Year	Percent of households low income	Percent of households high income	Ratio of high to low income groups
1939 ³	87.9	1.6	0.02
1954 ²	33.9	4.8	0.14
1984 ²	30.1	10.2	0.33
1993 ²	29.4	13.3	0.45
2000 ²	24.8 ²	18.3 ²	0.73

¹U.S. Census Bureau. (1942). *Sixteenth Census of the United States: 1940*. Government Printing Office, Washington DC.

²U.S. Census Bureau . (2008, August, 26). *Consumer Income Reports from 1946 – 2007*. Retrieved April 30, 2009, from <http://www.census.gov/prod/www/abs/income.html>.

³1939-1954 based on low income (0 – \$2,500) and high income is (\$10,000+). 1984-2000 based on low income (0 – \$25,000) and high income is (\$100,000+).

Table 3. GM and Competitive Vehicle Line Pricing

GM Models	2008 GM Prices	2008 Toyota Models	2008 Toyota Prices
Chevrolet	\$10,235-\$29,335	Scion	\$14,550-\$17,800
Pontiac	\$15,175-\$31,555		
Saturn	\$15,875-\$33,110	Toyota	\$11,550-\$34,665
Buick	\$23,725-\$38,980		
Cadillac	\$32,745-\$50,675	Lexus	\$34,120-\$77,110

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DO VENDORS' PRICING DECISIONS FULLY REFLECT INFORMATION IN ONLINE REVIEWS?

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ABSTRACT

This paper investigates whether vendors' pricing decisions fully reflect information about future sales contained in different components of online reviews. Based on the framework proposed by Mishkin, we show that only unexpected demand changes will result in the abnormal pricing adjustments made by vendors. In addition, vendors' pricing decisions fully reflect information contained in the average rating, number of reviews, variance of reviews, and percentage of five-star reviews in terms of their predictive power on future demands. However, it seems that vendors' pricing decisions fail to fully utilize information contained in the percentage of one-star reviews. Additionally, we show that vendors do not change price directly in response to the change in mean consumer ratings.

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IMPROVING SALESPERSON RECRUITMENT: EXAMINING PRACTICES OF SCREENING CANDIDATES FOR POTENTIAL SUCCESS VERSUS POTENTIAL FAILURE

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ABSTRACT

One of the most important tasks facing sales managers is hiring the right people. This research explores two potential hiring problems. First, people are hired who possess characteristics common to top sales performers without recognizing that these characteristics may be common among bottom performers. Thus, screening tools used to recruit salespeople may be ineffective because they may identify the wrong “top” candidates, as these candidates share characteristics of both top and bottom performers. Second, there is a bias among managers who correctly place effort in understanding what makes salespeople succeed but fail to ascertain why salespeople have previously failed. This second problem may lead hiring managers to recruit people poised to perform well on some aspects of the job, but poised to fail on other aspects of the job that were not examined. The research included two empirical studies.

Study-1 involved twelve qualitative interviews, each lasting 30-50 minutes in length and involving one or two professionals from a company that recruits salespeople. Interviewees were asked to describe the recruitment process within their company. Follow up questions asked specifically about failure; whether companies investigate types and causes of failures among prior salespeople, whether companies develop failure-profiles along with success-profiles, and whether job candidate screening includes an attempt to assess likelihood of failure. Responses indicated hiring efforts have both goals in mind: hiring candidates poised for success, and avoiding candidates poised for failure. However, respondents had not given much thought to the notion of deliberately probing for failure, or that traits found among top performing salespeople used for screening could also exist among low performing salespeople, which they agreed was quite possible. Respondents viewed screening for success as more intuitive than screening for failure. They also commented that efforts to understand failures of prior salespeople were typically conducted in an unsystematic manner and that lessons learned from these efforts were often not incorporated into future screening efforts of new salespeople. Finally, respondents identified eleven factors they felt should motivate probing of failure in a recruitment process.

Study-2 involved a quantitative survey and examined the relative focus placed on success versus failure during a recruitment effort (H1a-d), and the impact of the eleven factors developed in Study 1 on the degree to which recruiters focus on failure (H2a-k). Data was collected from 99 respondents who comprised recruiters and sales managers who had some recruiting responsibilities. Measures were abridged from extant literature where available, were otherwise developed for the survey, and involved a combination of likert and semantic differential five point metric scales. Hypotheses H1a-d were all supported at $p < 0.01$, reflecting much stronger attention paid to screening for success than for failure. Of the eleven variables posited in Hypotheses 2a-k, none were significantly related to failure probing efforts, but six were significantly related to success probing efforts. Thus, variables recruiters felt should motivate failure probing actually motivated success probing more than failure probing. These results indicate areas where recruiters are insensitive to issues that should motivate probing for failure.

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ARE ANALYZERS UNIQUE?

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ABSTRACT

The Miles and Snow strategic typology describes Analyzers as an organization type that is a 'hybrid' of two other types: Prospectors and Defenders. This widely accepted description leaves uncertainty as to the most effective paths to success for Analyzers, particularly in the vital areas of market and product development and program performance measurement. This uncertainty is unfortunate, as recent studies have identified the Analyzer as the optimal strategic choice in dynamic environmental conditions. This study seeks to remedy that deficiency by addressing the overarching question of whether Analyzers are unique and distinct from the two other strategic types in three aspects of program development: entrepreneurial tendencies, project emphasis, and success measurement.

First, organization types differ in their entrepreneurial tendencies, that is, their market entry and product line strategies. How do Analyzers differ from Prospectors who target new markets with new products? How do Analyzers differ from Defenders who maintain existing markets with existing products?

Second, organization types differ in their emphases on different types of product development projects. How do Analyzers differ from Prospectors who introduce innovative products, which may be new to the world? How do Analyzers differ from Defenders who improve upon existing products and seek greater efficiencies?

Third, organization types differ in which success measures for product development are consistent with their strategic objectives. How do Analyzers differ from Prospectors who measure success in terms of 'growth' (i.e., future opportunities and growth in revenues and profits)? How do Analyzers differ from Defenders who measure success in terms of 'efficiency' (i.e., success rate and return on investment)?

This study finds that Analyzers differ significantly from other strategic types in three important areas of product development: their market entry and product line strategies, the project composition of their development programs, and the orientations of the performance measures used to evaluate their development programs. Analyzers are unique in that they target new customer types by repositioning their existing products, and serve existing market niches with additions to their product lines. Their type is distinct in that Analyzers evaluate their product development performance with 'strategic' measures (i.e., strategic fit and five year goals). This study concludes with implications for professionals and recommendations for future research based on the findings.

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THE CHANGING ROLE OF THE CUSTOMER IN THE CO-DESIGN PROCESS

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ABSTRACT

The customer's role in marketing is undergoing important changes especially with regard to product development processes. The purpose of this article is to analyze the collaboration between customers and companies in order to provide a contribution based on a multidisciplinary perspective that refers to some important motivational and psychological theories.

PREMISE AND PURPOSE OF THE STUDY

This article deals with the evolution of the customer's role with regard to his involvement in co-design processes. The purpose is to identify how the co-design process works, to pinpoint the contributions of the different parties (customer and company) involved, the modalities of reward to be adopted as well as the cost-benefit relationship between the output and the resources exploited.

The article must be considered in the context of the international debate on the themes of "co-creation and capture" of value that has been discussed by different schools of thought, especially in North-America (Vargo, Lusch and others), in Scandinavia with particular reference to Christian Grönroos and in Europe (Covà and Dalli), whose recent literature has been examined.

In order to make a further contribution to these themes, a multidisciplinary perspective was adopted with reference to the motivational typologies that encourage human beings to act or react (McClelland, 1961). The research has been carried out based on the following steps: analysis of current literature (par.2), definition of constitutive concepts (par. 2), list of the authors' propositions (par. 3), implications for management (par. 4).

CO-DESIGN: DEFINITION AND EARLIEST THEORETICAL ASSUMPTIONS

Vargo and Lusch (2006) report in their works that the co-creation of value is a superior element containing (as a series of concentric circles) co-production that they identify in co-design.

It is possible at this point to make an important distinction between the conceptual assumptions of what is proposed here: Vargo and Lusch (2006) present the variables of the results and add co-design to the creation of value; in our opinion, such a definition refers to the concept of process, that is a sequence of phases: the first being the co-design phase with the customer and the last, as a variable of the result, the creation of value.

Grönroos (2009), underlines the limits of Vargo and Lusch's positions, and admits the importance of the interaction between company and customer in order to optimize the production of value to be exchanged. He distinguishes the two phases of creation and capture of value; these two concepts are also expressed by Collese (2008) who eagerly supports the clear-cut distinction between the roles of the consumer (who can agree to take part in co-creation) and of the company (that is able to produce goods and services).

The concept of co-design overcomes the "insight" defined by Schieffer 2005 (p. vii) as: "the intimate and shared understanding of the target's expressed and hidden, present and future needs" and allows the inductive, deductive and abductive methodologies to be adopted. In order to define co-design we can affirm that researches allow to obtain "first hand" reliable information from the customers; however, this process is not enough to give rise to what we call co-creation. One more step is needed to move from the collection of information to the co-creation of knowledge and, by anticipating what will be examined forwards, from knowledge to the needs, and from the solutions to value. In fact, market researches are useful tools and part of a necessary phase for the scheduling the co-design that requires a further process with an analysis "ab origo" whose focus is not only oriented to obtain data and

opinions, but also to realize a unitary path by using the skills and know-how of both.

It is important for us to mention at least three types of reward for co-design customers:

1. The constitutive reward (or primary reward) is perceived as the satisfaction that follows act of purchase (the customer buys what is specific for him because by means of co-design he has set out what he expects from the product-service itself).

2. The economic reward (for example, fuel vouchers).

3. The motivating reward deriving from the self-fulfilment that the customer achieves for having expressed his "authoritative opinion".

Moreover, Collesei (2008) quotes the impossibility for the customer to manage entrepreneurial activities. Therefore, without the company's intervention, he would not be able to realize what has been co-planned because of the different vocations of the two stakeholders.

According to the authors, the co-design process starts from the two distinctive roles (the role of the company and the role of the customer) that tend to draw nearer to each other in order to achieve a mutual benefit due to the "contamination" between them until they become one in the co-design phase. Once the creative inputs have been exchanged, the two parties involved return come back to their original fields: the company to the physical realization of the co-planned product or service, the customer to the achievement of what was planned by means of his contribution and of a higher or more acceptable "value proposition".

Prof. Grönroos (2009)¹ affirms that "the customer is the value creator" and that the company plays a facilitating role because of its interaction; Eiglier and Langgaard have already been expressing these concepts since 1975.

On the basis of the afore-mentioned assumptions, an explanation is now given of the meaning of the term "co-design" with reference to the following four typologies:

a. actual co-design (co-creation or creation in pairs, i.e. between customer and company): with this modality, co-design starts before the beginning of the life cycle because the product does not exist yet; on the basis of the inputs, the product is created in mass quantities or in a defined target cluster, but not as an

individual piece. This first typology can also be defined as "YOU & ME" active involvement.

b. partial co-design (on the go): in this case the relationship between customer and company, in co-design terms, is adopted to remedy the partial success of a product previously launched on the market; such a "gap" occurs for example when sales volumes are different from a company's expectations because of a lower performance compared to actual potential. This can also be defined as a case of tuning co-design.

c. one buyer co-design: this typology of co-design (as opposed to the first) is not aimed at the realization of a mass quantity of products; on the contrary, it can be likened to a tailor who co-plans the cut and fabric of a garment based on the customer's requests. The result is a unique item that cannot be standardized for other customers because it is custom-made. Such a modality is often referred to in the marketing of industrial goods as company and customer co-plan whereby they join their skills together, know-how on one hand and acknowledgement of needs and expectations on the other.

d. custom-made personalization: this is represented by a specific market niche (for example, a tailor who makes a garment copying a specific designer like Armani). This typology includes the so-called "co-option", i.e. the options to be chosen from various possible alternatives that determine the personalization of the purchased product (an example is the case of cars like the Lancia Y or Fiat 500). It is evident that they do not represent cases of co-design because the basic product-service already exists, but it represents a case of developed customization².

The distinctions between the four categories described previously should be carefully examined so that they do not appear to be the same or superfluous. It is important to point out that the authors of this article only consider the first typology as a real case of co-design: the actual co-design (co-creation or creation between customer and company).

THE TWO CO-DESIGN TARGETS: "CUSTOMER-COMMUNITY AND COMPANY"

The typologies of co-design customers are linked to the meaning (sociological and motivational) that is attributed to this activity and referred to expected benefits.

They can work individually or as a community for different purposes and sell the idea directly, create it on their own for self-consumption or, if the worst comes to the worst, allow it to be stolen.

¹ Free interpretation of some concepts reported by Prof. Christian Grönroos during his participation at the 14 th Biennial World Marketing Congress of the Academy of Marketing Science that took place in Oslo from 22nd to 25th July 2009; on that occasion, he defined the service as: "a support to customers' everyday practice in a way that enables the customer to create value for themselves".

² It is not unusual for a football player to personalize his shoes by means of a computer program (example taken from the magazine Panorama of 11th December 2008).

As a consequence, the possibilities of interaction with the company can be divided into three categories: customer to company (C2C) customer & community to company (C-Co2C) or community to company (Co2C). In any situation that may occur in the co-design process, the term “customer” should be interpreted as “a group of customers” (for example those who have been interviewed by means of a specific customer focus) or, as has just been mentioned, as a community.

The difference between the two situations is that in the first case, the initial action is encouraged by the company, while in the second, it is spontaneous because it comes from a creative, autopoietic process within the community. In this connection, we agree with Cova and Dalli (2008) when they affirm: “it is at this level that (communities of) consumers are able to interact with market agents negotiating, fighting, collaborating etc. It should be impossible to do so at the individual level”.

Why is the interaction of a single customer with a company so hard to figure out?

According to the authors, even an authoritative contribution made by a customer cannot in itself be so significant as to represent the target in a reliable way or, in other cases, this person cannot be considered as a “single customer” because his knowledge can be compared to that of someone appointed to do the work or a potential employee of the marketing department of the company seeking or encouraging co-design.

This figure can be classified in the third typology of co-design, with only one buyer, as described previously.

After this necessary introduction, it is possible to classify the different typologies of customer target (whether within the community or not)³:

a. self-referred customer: people with a pressing need for esteem, self-esteem and consideration who co-plan to give “their authoritative opinion”. Reference to the motivational theories of Prof. McClelland⁴ and especially of the B-Pot subjects (that underline a strong motivational need for power) appears evident. Working with this typology of target may lead to excessive identification and the consequent creation of a product customized for the co-planner but not specific for the target.

³ The present research focuses on the typology of “user” customer; in other works, other typologies of “stakeholder customer” will be analyzed in detail among which we can mention: Government – Institutions, Universities, Alumni associations, Business partners, Industry influencers, Media, Salesmen.

⁴ McClelland D. C. (1961), “The achieving society”, Van Nostran Company, Princeton N. J. In his work, the writer identifies three psychological drivers of behavior: Achievement, Affiliation, and Social Power.

b. self-realized customer: this second typology of customer gives value to his contribution by providing ideas for co-design (“he strongly believes and wants to give his contribution”). As a reward he obtains active participation.

c. commercial consultant: people who wish to obtain a reward for their performance. This target can be divided into two subcategories:

-those who look for an economic reward: they monetize the time spent and the creativity provided (for example, they want fuel vouchers, discounts, favourable economic conditions for themselves, other kinds of benefits and so on);

-those who intend to “hijack” the company due to their specific expectations regarding the performance of co-planned goods, as mentioned by Longo and Cova (2007) in their work.

As far as the company target is concerned, we can identify the following typologies:

a. ethical company: this company’s belief is that co-design is the only way to do marketing. The company knows that it is important to interact with the customer because it is advantageous. At the same time, it is motivated to achieve real customer satisfaction, not only with acts of “commercial maquillage”⁵ or with the creation of a further typology of marketing panacea. In this case, the company can interact with the customer by means of online communities, such as Peugeot, Siemens, Henkel, and so on, the study of which was mentioned by Füller et al. (2004).

b. opportunist company: this company works to obtain useful information in order to improve its performance on the market (self-interested marketing) and it uses the information to its exclusive benefit without worrying about customer satisfaction or acknowledging (in an holistic sense) the information provided by the customer. In this connection we refer to the works by Williamson (1985) who explains «opportunist behavior» and «self-interest seeking». On the subject of opportunism, it is worth mentioning so-called social responsibility with reference, in this case, to the constitutive concept that defines a company’s actions prior to production, and therefore, makes the possibility of seizing the co-design customer’s ideas and information more remote.

Observing the development of the roles of the company and of the customer during the production and consumption phases, we can simplify the analysis

⁵ According to the authors, the term “commercial maquillage” refers to those initiatives aimed at highlighting the perception of a specific advantage or valorization of an element of the marketing mix, that tries to hide the incomplete satisfaction of the customers’ needs or a weakness in one aspect of the same.

with a distinction between the traditional role and the new role, each of which have specific tasks.

Here we describe the traditional role, as quoted in the following table (tab.1) where the distinction between the activities attributed to each of the subjects is evident.

Table 1. Traditional Role

Company	Customer
Researches, Plans – Produces	Buys – Uses ⁶

We think that, today, the phenomenon of change in company and customer (and community) roles and modalities of action is increasing, as we can see in the table below (tab.2) where co-design begins to play its part.

Table 2. New Role

Company and Customer	Co-design
Company	Integrates the co-design and produces
Customer- Community	Buys - Uses

By identifying new roles and from the subsequent interaction of the two protagonists (customer & company), value drivers can be identified for both participants. Stability within this exchange is not always or necessarily achieved: a balance can be obtained and also “mixed” only at the end of the entire process. It may be that as a reward the customer obtains the satisfaction for having made the product he had planned available for purchase. This allows us to recognize the fact that the company earns a margin from the customer’s purchase and from his willingness to co-plan.

CONCLUSIONS AND IMPLICATIONS FOR MANAGEMENT

At the end of the present work, we need to formulate some conclusions. What emerges at first from the statements made, is that we opt for co-design because it represents an extra step in the process of approaching the customer and the willingness to create something closer to his expectations; it obviously implies a double cost both in terms of money and of acceptance of the third party’s proposals, but the advantages are evident.

⁶ In this definition, that is deliberately simplified, the concept of usage is linked to that of customer; it is obvious that buyer and consumer do not always correspond as reported in literature.

Co-design, moreover, can be a deciding factor for differentiating the modalities of product conception: this allows the “final” product expected by the customers to be identified from the beginning, reducing the costs for subsequent modifications as well as the loss of share (or the temporal shift of the same).

However, unresolved matters concern: the measurement of return from the results of collaborative logic (short, medium and long term) and the balance between the mutual benefits received and obtained.

In other words, if the company establishes processes oriented towards co-design, it places itself in the potential position of focusing on its own outputs and anticipating (both temporally and practically) its own competitors. However, it is important to mention that if, on one hand, the information obtained is not valid or if the company changes or partly modifies what was proposed, the result may differ from the one expected by the customer-co-planner.

We also have to mention the dimensional limitations related to significance, in the sense that customers are numerous and many of them will not be consulted: this amplifies the limits of the research because it is difficult to judge if the co-planners actually represent the target in the best possible way and if they intend to propose something useful or consistent with their own expectations.

Finally, we must reassert that if, in the short term, the possible lack of correspondence between what is provided and what is received can be accepted, in the medium-long term it becomes unacceptable and the penalized party excludes itself from the activity by breaking with co-design. In the case in which the customer is the injured party, we can expect their spontaneous application to rival companies as a reaction to such treatment. In order to investigate with effectiveness these or other topics in the future, we intend to identify practical cases to confirm what was reported at a theoretical level in the previous pages. The specific fields could be both public and private companies, meeting the marketing directors in focus groups to present the model and verifying its validity from a practical point of view.

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THE IMPACT OF CONSUMER CHARACTERISTICS ON INTRAPERSON AGENTS OF VARIETY SEEKING BEHAVIOR

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ABSTRACT

The theory of intraperson games propounded by Ding (2007) holds promise for consumer behavior scholars engaged in research regarding consumer variety seeking behavior. However, the next important step in theory development is the development of empirically validated scales for the theoretical constructs of intraperson games theory. We operationalize the theoretical constructs of efficiency and equity agents and proceed to develop multi-item measures of the constructs. We empirically validate the scales using a national random sample of three hundred respondents and arrive at validated scales that may be used for future studies. Additionally, we examine the impact of consumer characteristics upon the equity and efficiency agents, the intraperson drivers of variety seeking behavior. Our results will be of interest to academic scholars and marketing practitioners that would like to use intraperson game theoretic constructs in their strategy formulations.

INTRODUCTION

Variety seeking behavior is a phenomenon that has been widely studied in the field of marketing. The study of variety seeking and brand switching has produced various theories and constructs that attempt to capture this concept in a way that is beneficial to marketers (Bass 1973, 1974; Kahn 1995; van Trijp 1996; Ding 2007). Most of the past research in the area has emphasized external variables such as demographics, branding, pricing, etc. to influence such behavior (Chen 2004, Raju 1980). However, very few studies have analyzed possible internal constructs and processes that could have an influence on variety seeking behavior and consumer decisions.

A study conducted by Hans van Trijp (Van Trijp, Hoyer, and Inman 1996) differentiates between internal and external motivations for variety seeking. This study blends internal factors such as need for variety with external factors such as product category. The study is successful in identifying some key variables that contribute to a variety seeking decision. However, once again, these variables are driven by external factors.

In order to truly capture the dynamic of variety seeking behavior, this research proposes that a deeper knowledge of the internal variables that drive consumer decision is warranted. A recent paper by Min Ding (2007) in the *Journal of Marketing* proposes theory of intraperson games as a possible explanation in which factors from within an individual's mind compete to

make a decision. The theory of intraperson games finds its conceptual inspiration from existing theories of the human mind as well as game theory. Ding (2007) proposed a predictive quantitative model based on his theoretical constructs. Most relevant to our research, the theory of intraperson games draws attention to the *internal* factors that impact consumer variety seeking purchase decisions.

This research aims to develop empirical scales for measuring two proposed intraperson games theory constructs theorized by Ding (2007): Efficiency and Equity Agents. The efficiency agent strives for instant gratification while the equity agent considers long term benefits. We develop multi-item scales to measure these constructs of intraperson games in the context of consumer variety seeking behavior. A survey based methodology with a random national sample of three hundred respondents is used to examine the relevance, validity, and reliability of the empirical scales. Assessing the impact of these intrapersonal factors on consumer variety seeking behavior would not be possible without first understanding the underlying theories and concepts. The following literature review highlights the existing theories, as well as where the current study will add to the literature.

VARIETY SEEKING BEHAVIOR

Variety seeking is a desire that often manifests itself in the behavior of brand switching (Givon 1984).

Consumer buying choices can be broken down into three actions: a repeat purchase, a derived switch, or a variety switch (Van Trijp, Hoyer, and Inman 1996). Repeat purchases are continuations in a previous buying pattern of an individual. Derived switching behavior is understood to be the product of extrinsic motivations. A particular store being closed for the night, a friend's product recommendation, and an item being out of stock would all be considered extrinsic motivations. True variety seeking behavior differs from derived variety seeking behavior in that such actions are the result of *intrinsic* motivations from within an individual (Van Trijp 1995).

Past research suggests that true variety switching behavior generally occurs for one of three intrinsic reasons, satiation, stimulation, or hedging. Satiation occurs as an individual experiences diminishing utility with each successive repeat of a behavior (Coombs and Avrunin 1977). Stimulation is when a consumer is excited about, and inexplicably drawn to, the novelty of a certain choice (Berlyne 1970; Faison 1977). Faison explains that consumers can be drawn to a brand simply for a change of pace. The final intrinsic motive for brand switching is hedging (Ding 2007). Hedging is a concept in which a consumer intentionally chooses something that does not provide the most utility in order to achieve balance. One set of researchers (Ratner, Kahn, and Kahneman 1999) discovered that individuals often trade pleasure for variety. The results show that subjects enjoyed choices in an improving sequence (saving the best for last). It is also found that some of the subjects, after making a less preferred choice, often enjoy their favorite choice more than ever. Existing literature struggles to capture buying outcomes through an intrapersonal lens, intrapersonal games theory may provide the theoretical rationale necessary to correct this deficiency in the literature.

THEORY OF INTRAPERSONAL GAMES

Min Ding (2007) has proposed a theoretical model that combines game theory with several famous theories of the human mind. Freud's structural theory (Freud 1923) is the basis for Ding's understanding of the conflicts that take place within one's mind. Freud believed that there are three interacting components of the mind. The Id is a self-centered, primitive drive guided by a constant pursuit of pleasure. Another drive, the Superego, counteracts the Id, acting as a cautious voice of reason that has been shaped by the morals of an individual's society. The Ego is an equity drive that attempts to give each drive a chance to show through at different times.

Ding took these concepts and integrated them into a model normally used for multi-person game theory.

The model uses two higher level agents, efficiency and equity agents. The Theory of Intrapersonal Games successfully quantified the idea that individuals' decisions are a result of a battle between competing agents. An empirical study conducted by Ding verified the model's aptitude for predicting buying outcomes. The empirical study provided evidence that effectively measuring an individual's personality could better predict future variety seeking behavior than by simply analyzing past purchases. However, Ding's study did not provide a comprehensive scale for measuring an individual's intrapersonal characteristics. The mathematical model simply shows how each agent would interact in the context of game theory.

The Theory of Intrapersonal Games fits theories of marketing and psychology together effectively into a mathematical context. However, the current study would like to make this connection more accessible to marketers. This research develops scales for the effective measuring of intrapersonal agents. Further, statistical analysis is also utilized to identify consumer characteristics that impact intrapersonal agents.

THEORY DEVELOPMENT

Building on the successful inclusion of multiple agents of the mind in a previous marketing application (Ding 2007), this study proposes that measuring Ding's two distinct and opposite agents is possible. By measuring a respondent's agreement with statements of equity and efficiency, effective scales could classify consumers as "equity-strong" or "efficiency-strong". Based on this rationale, the emergent preliminary scale (see Table 1 below) contains 9 items in which respondents indicated their level of agreement on a five point scale from strongly disagree to strongly agree. The items are designed to bring forth the respondents beliefs concerning various hypothetical situations. The hypothetical scenario of decisions involving a restaurant visit is chosen with the overall sample frame in mind. It is a challenge to find a product that demands involvement, experience, and considered decisions that also applies to a large cross-section of the target population. Items are either statements that involve instant gratification, lack of compromise, and swift action, or statements that involve trade-offs, long-term consideration, and restraint.

In addition to developing measurement scales for the intrapersonal agents, this study explores the impact of consumer characteristics on such agents. Consistent with other constructs in consumer behavior, we hypothesize that intrapersonal agents are impacted by consumer characteristics and demographics. Intrapersonal agents are indeed internal constructs, however,

Table 1.

During a typical visit to a restaurant...
 After eating a high calorie entrée, I order dessert.
 If I am hungry, I order appetizers before the entrée arrives.
 I order as much alcohol as I desire with the meal.
 After eating a high calorie entrée, I order a low calorie dessert.
 I order what I desire the most, regardless of the calorie content.
 If I am hungry, I do not order appetizers but wait for the entrée.
 I order items I know I have enjoyed in the past.
 After eating a high calorie entrée, I skip dessert.
 I worry about the price of my meal.
 If I have a working day the next morning, I do not drink at all.

the development of such agents must also be informed by the life circumstances of the individual. Based on the findings of previous research in the area significant consumer characteristics are identified and the following hypotheses emerge:

- H1.** Consumer age influences intrapersonal agents employed by consumers in decision-making.
- H2.** Consumer gender influences intrapersonal agent employed by consumer in decision-making.
- H3.** Consumer’s level of education influences intrapersonal agent employed by consumer in decision-making.
- H4.** Consumer’s religious preference influences intrapersonal agent employed by consumer in decision-making.
- H5.** Consumer’s political view influences intrapersonal agent employed by consumer in decision-making.
- H6.** Consumer’s number of siblings influences intrapersonal agent employed by consumer in decision-making.
- H7.** Consumers’ annual household income influences intrapersonal agent employed by consumer in decision-making.

METHODOLOGY

The scales were introduced in a survey that was distributed to the students, faculty, and friends of a small college in the Northeast USA during a previous phase of this study. Prior to the launch date a pretest survey was conducted with 10 respondents. Once the survey passed another brief test round, it was distributed throughout the course of the following week. The survey was then administered nationally via the web

through an online survey service. The online survey format provided ease of use for the respondents and more convenient and accurate data collection for the researchers. The subsequent analysis is based on a convenience based random sample of 300 individuals.

Sample Profile

As is expected in studies utilizing a survey, respondents did not disclose certain demographic information. A summary of the data set (including the percentage of missing responses) is included in Table 2. Adjusting for the missing data, the following discussion refers to percentages and proportions of respondents who actually responded to each individual item.

Table 2. Sample Profile (N=300)

	N	%
Gender		
Male	81	27%
Female	156	52%
Missing	63	21%
Age		
18-22 years old	195	65%
23-29 years old	8	3%
30-45 years old	10	3%
46 years and over	23	8%
Missing	64	21%
Level of Education		
Some High School/ High School Graduate	90	30%
Currently in College	110	37%
Undergraduate degree	18	6%
Currently in graduate school	2	1%
Postgraduate degree	17	6%
Missing	63	21%
Household Income		
\$30,000 or less	12	4%
\$31,000-\$75,000	55	18%
\$76,000-\$100,000	61	20%
\$101,000-\$200,000	84	28%
\$201,000-\$300,000	12	4%
\$301,000 or more	1	0%
Missing	75	25%

FINDINGS AND DISCUSSION

We began by testing the nine-item composite IPG (Intraperson Games) scale which yielded a Cronbach’s Alpha of 0.300. As theoretically expected, we found this one-dimensional scale to be inadequate in measuring the multidimensional IPG constructs. Based on Ding’s (2007) conceptualization of the IPG being a two dimensional construct, we proceeded to subject the nine-item scale to a confirmatory factor analysis. A

principles component analysis based factor solution revealed patterns of both efficiency and equity agent measurement scales. The total variance explained by the factor analytic model is 68.726%, which is excellent for a first time use scale. We restricted the principle extraction to Eigen values of 1 or higher and used item loadings of 0.6 or higher only. The model was further refined using a Varimax rotation which yielded three-item efficiency agent scale and a five-item equity agent scale. One of our scale items "I worry about the price of my meal," does not load significantly on either of the components and was therefore excluded from further analysis.

The scale items that emerged from the factor analysis were further analyzed for validity and reliability using a Cronbach's Alpha. The three-item efficiency agent scale reported an Alpha value of .672, which is excellent for a first time use scale (Nunnally 1978). The equity agent scale is a five-item scale that also provided a good Alpha value of .505, which is acceptable for a newly developed theoretical scale being used for the first time. Table 3 provides a breakdown of which items comprise each scale.

Table 3. Validated Scales

Efficiency Agent Scale (Three-Item) $\alpha = .672$
 After eating a high calorie entrée, I order dessert.
 After eating a high calorie entrée, I skip dessert.
 (Reverse Coded)
 I order what I desire the most, regardless of the calorie content.

Equity Agent Scale (Five-Item) $\alpha = .505$
 After eating a high calorie entrée, I order a low calorie dessert.
 If I am hungry, I do not order appetizers but wait for the entrée.
 I order as much alcohol as I desire with the meal.
 (Reverse Coded)
 If I am hungry, I order appetizers before the entrée arrives. (Reverse Coded)
 If I have a working day the next morning, I do not drink at all.

We then proceeded to use the above-mentioned validated scales to test our proposed hypothesis relating to efficiency and equity agents. A one-way analysis of variance (ANOVA) was employed to determine if the intrapersonal agents were impacted by the previously stated consumer characteristics in a statistically significant manner. As hypothesized: age, gender, and level of education all had a statistically significant impact on both the efficiency and equity agents (At a significance level of .10 or less). Household income can be included as a factor that impacts intrapersonal agents as well, however, the alpha levels are slightly higher than de-

sired (efficiency p:0 .111, equity p: 0 .094). Religious preference, number of siblings, and political views were found to be statistically nonsignificant.

To further investigate the direction of the relationship between intrapersonal agents and consumer characteristics, bivariate correlation analysis was utilized. The analysis included Pearson correlation coefficients and a two-tailed test of significance. All correlations reported are significant with a maximum p-value of 0.10, unless otherwise noted.

Surprisingly, age had a negative correlation with both the efficiency and equity agents (-.183 and -.198, respectively). One explanation for this may be that, as individuals age, they become more influenced by tradition and personal habits and rely marginally less on internal agents to make decisions. The correlation is not considered to be very strong but provides an interesting insight into how intrapersonal agents may change, however slightly, over time.

A statistically significant correlation between gender and the intrapersonal agents exists. Males tend to have stronger efficiency agents and weaker equity agents. The reverse is true for females. Another correlation shows that as the level of education of respondents increased the strength of equity agents decreased (-.212). The correlation between the efficiency agent and level of education showed a negative correlation as well, but fell just outside the range of being statistically significant (p: 0 .122, correlation = -.101). Having both agents decrease at the same time presents a similar situation as in the case of age. As a person grows and becomes more educated they are able to draw on external knowledge and habits they have accumulated when making a decision. They are likely going to depend on internal ("gut") feelings less and external factors more. This could explain why both intrapersonal agents seem to slightly diminish in strength with age. The final statistically significant correlation is found between the efficiency agent and political views. The strength of the efficiency agent is positively correlated with the degree of self-reported liberalism (.113).

Characteristics such as political views, number of siblings, and household income have no significant impact on intrapersonal agents. The factors that have an impact proved to be weak correlations, with the strongest being -.231. These findings are further evidence that intrapersonal agents and the internal decision making process are powerful tools that are not easily influenced by external circumstances.

CONCLUSIONS AND FUTURE RESEARCH AGENDA

The creation of the intrapersonal agent scales allows marketers to measure and classify consumers

based on their internal decision making agents. Further development of this concept should lead to useful marketing tools. The research has shown empirical evidence of two distinct intrapersonal agents, efficiency and equity. An individual's decision is ultimately swayed by one of the two agents. The stronger agent is more likely to "win" the argument more often. Marketers should be aware of the predictive powers that may arise from future research. The scale created in this study is an important first step in drawing value from a deeper understanding of consumer decision making.

Recognizing the independence of the internal decision making process is critical to understanding the nature of intrapersonal agents. As competition intensifies, product offerings and price points become seemingly homogeneous, and traditional advertising loses effectiveness, marketers may consider appealing more to a consumer's intrapersonal agents. Considering that all decisions are the result of an individual's perception of external information, it would be useful to know which agent favors one's value proposition. Future research is needed to explore the impact of these intrapersonal agents on consumer behaviors. Intrapersonal agents seem to be minimally impacted by demographics but measuring the types of purchase behavior and attitudes that result from the agents will prove to be critical.

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EVALUATING THE MARKET SEGMENTATION STRATEGIES OF THE S2 SAFER SMARTER BLUEPRINT FOR ACTION SOCIAL MARKETING CAMPAIGN: PRODUCT AND PLACE

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ABSTRACT

This paper, an evaluation of the domestic violence prevention marketing strategies used by The Corporate Alliance to End Partner Violence, analyzes how employers can use components of The S2 Safer Smarter Blueprint for Action Social Marketing Campaign in order to ensure the employability of battered women during a downturn economy.

INTRODUCTION

America's economic crisis has greatly impacted the United States since 1997. Lending institutions that failed to clearly evaluate their risk management procedures caused great detriments among those individuals that leaned on them most. While the current economy greatly impacted communities throughout the world, it was highly apparent in communities where women experienced abuse. Economic stresses due to the economy resulted in increased violence in communities throughout the United States, especially in the workplace. Furthermore, these battered women often had limited access to those preventative materials that encouraged them to seek help or leave their batterer. Such resources are imperative to women in the workplace.

Victims of domestic violence can negatively impact a company or organization's daily policies and procedures and cause great losses to the organization.

According to the American Institute on Domestic Violence, approximately 1.7 million incidents of domestic violence have impacted businesses throughout the United States. Many of these incidents have resulted in homicide committed by the intimate partner of the female victim (AIDV, 2009). While various organizations have policies in place that allow them to intervene when this sort of emergency takes place, others do not. According to Ford, "The intelligent corporate officer

knows that in the long run, government, customers, and the press will make life intolerable for the company unless he or she takes care of the community's needs as conscientiously as he or she does the corporations'" (Ford, et. al, 2006). The productivity of an organization's workers' determines its net sales and impact. If employees are continuously emotionally distraught and unable to function, daily tasks will be either incomplete or completed incorrectly. The goal of the present paper is to evaluate the impact of the S2 Safer Smarter Blueprint for Action Social Marketing Campaign. This initiative, established by The Corporate Alliance to End Partner Violence, Gap Inc., Kaiser Permanente, Liz Claiborne Inc., Macy's and Verizon Wireless, Ceridian, CIGNA, Magellan Health Services, OptumHealth, ValueOptions, along with leading EAP providers encourages businesses to get involved with their Employment Assistance Programs and seek support for domestically battered employees. Supported is sought through the distribution of various marketing strategies.

In 2008, the Corporate Alliance to End Partner Violence conducted a study and found that 21 percent of employees worldwide experienced domestic abuse (CAEPV, 2008). Approximately 64 percent stated that their inability to focus at work was a direct result of this situation (CAEPV, 2008). The results of this study were used to develop a national social marketing campaign between various major corporation and Employee Assistance Programs. This national collaboration, known as

S2 Safer Smarter Blueprint for Action, is a national social marketing campaign established to ensure the following: education programs on issues such as recognizing healthy and unhealthy relationships are available to workplaces; businesses are provided with the resources that they need to refer employees for counseling and legal assistance, literature that assists managers with the resources they need to assist employees that are struggling with domestic violence is available; businesses are encouraged to develop a domestic violence response team that is comprised of management staff, human resources, security and the EAP so that they can work to address domestic violence cases immediately (CAEPV, 2008). The ultimate goal of the S2 Safer Smarter Blueprint for Action Social Marketing Campaign is to encourage business personnel to “make the case” to their business CEO in order to increase support for victims of violence. The campaign also encourages employees to garner support from Employee Assistance Programs.

The following two questions will be answered in this research paper.

1. Have the placement strategies of campaign materials and products effectively reached the target market?
2. What additional grant opportunities are available for businesses wanting to enhance the promotion of their S2 Blueprint for Action Social Marketing Campaign?

This paper looks at the marketing strategies designed specifically for the S2 Blueprint Campaign for Action while determining the impact of the campaign on changing the attitudes and behaviors of corporations towards this severe issue, domestic violence in the workplace.

The S2 Blueprint for Action consists of the following marketing strategies: public service announcements, press kits, case studies, brochures, and posters. A meta-analysis of various businesses is currently being coordinated in order to determine the effectiveness of changed communications between employers and victims of abuse. In an effort to ensure the ongoing success of this campaign, agencies can seek support from grant providing agencies.

When proposal developers successfully obtain grant monies on behalf of domestic violence prevention, they act as change-agents, creating a culture of awareness that heightens the need for more support systems for abused

women and their children. In order to obtain such dollars, the proposal developer must first create a written statement that garners the support of potential funders. This document is known as the case statement. The case statement, also known as a “Case for Support,” –is a short, targeted, persuasive document. This document is typically five to ten pages long. “It convincingly demonstrates a societal need and showcases the organization’s ability to meet that need” (Miller, 2008, Conclusion section, 1).

There are various grantors (governmental, foundation, and corporations) to consider when seeking support for domestic violence prevention programs. For example, in 2008, Verizon Wireless donated \$4.7 million towards domestic violence prevention. Verizon Wireleses’ domestic violence prevention initiative is based upon empowering women as well as educating men on the essentials of domestic violence prevention. The Department of Justice also donated \$4.7 million in 2008 towards domestic violence prevention. Furthermore, Polaroid Corporation donates \$42,000 annually to women’s shelters.

REVIEW OF THE LITERATURE

“The annual cost of lost productivity due to domestic violence is estimated as \$727.8 million, with over 7.9 million paid workdays lost each year” (Center for Disease Control, 2003). Domestic violence clearly negatively effects work productivity. With so many factors affecting worker productivity and the overall well-being of an organization, it is necessary that organizations implement employee protection assistance programs that educate everyone from key leaders to lower level management about the warning signs of abused women and how to intervene if such an issue was to arise within their organization (Holosko, et. al, 1988). In this paper, the impact that the national S2 Blueprint for Action social marketing campaign has on influencing corporate leaders to implement domestic violence programs into their workplaces is investigated.

The following two literature reviews attempt to support this hypothesis. They are followed by a literature review that provides an analysis of the impact of domestic violence on women in the workplace. According to Rossiter and Percy (1987), social marketing campaigns are most effective when they appeal to

the emotions of consumers. Specifically, the campaign should have the ability to instill the following when the campaign is a positive one: the removal of a problem, the avoidance of a problem, mixed approach-avoidance and normal avoidance. Campaigns that fail in impacting their audience result in incomplete satisfaction (Rossiter and Percy, 1987).

The White Ribbon Campaign has for several years had a positive impact on its target audience. According to Flood (2009), The White Ribbon Campaign is one of the largest and most effective social marketing campaigns internationally implemented in an effort to heighten awareness for the need to end domestic violence. During the week of November 25, 2009, men are encouraged to show their support to end domestic violence by wearing a white ribbon. The program ends on November 25th which is nationally known as the International Day for the Elimination of Domestic. The campaign is advertised using a series of marketing strategies including: ribbons, resource kits, and fliers. The resources are available at no cost to agencies through the White Ribbon Campaign website, www.whiteribbonday.org.au.

In 1998, the Freedom from Fear Campaign was established (Donovan, et, al, 1999) in Western Australia. The campaign used a series of public service announcements to target men that continued to abuse women so that could eventually obtain the assistance that they needed (Donovan, et, al, 1999). During the first five years of the campaign, there were enormous results. Eventually, the program lost its momentum. The next section provides a summary of two studies were used to determine the need for employee assistance programs.

According to a survey conducted by the Liz Claiborne Company in 1994, a survey of Fortune 1000 companies concluded that many organizations do not know the warning signs of domestic abuse and therefore do not know how to combat the issue (Tennessee Economic Council on Women, 2004). The study also concluded the following: “four out of ten corporate leaders surveyed were personally aware of employees in their companies who have been affected by domestic violence; - nearly half (49 percent) said that domestic violence had a harmful effect on their company's productivity; - forty-seven percent said it had a harmful effect on attendance; forty-four percent said it had a harmful effect on health care

costs; - one-third believed domestic violence affected their balance sheet; and - two-thirds agreed that a company's financial performance would benefit from addressing the issue of domestic violence among its employees” (Tennessee Economic Council on Women, 1996, par. 3). In 1995, The Corporate Alliance to End Partner Violence used this information and other alarming statistics so that business leaders could engage in conversation on domestic violence and what corporations could do in order to assist employees that were impacted by it.

While the previous two studies produced measurable outcomes that could be traced with integrity, there are limitations to these studies. The first study focuses on a small section of the American population. While there are millions of women that encounter domestic violence workplace situations, the study only deals with an audience of 200. The second study focused on domestic violence and its impact on the work productivity of women only. According to Martin Fiebert (1997), 247 scholarly articles, 188 empirical studies and 59 analyses prove that domestic violence is not solely an incident that occurs among women; men are also impacted. Fieber concludes that according to data from a national survey, a 2005 research study found that out of a group of 3,519 men and women, 18 percent of men admitted to being involved in a violent relationship (Fiebert, 1997).

While these studies prove that social marketing campaigns can successfully address the need for domestic violence centered employee assistance programs, marketing managers must ensure that they strategically develop and implement all facets of the marketing mix. Price, promotion, product, and place are necessary in order to ensure that an effective campaign that heightens awareness for the need to eradicate domestic violence among women in the workplace is implemented. Further study is needed to determine the need for such programming that provides service for men.

RESEARCH METHODOLOGY

Several studies were established on behalf of the S2 Safer Smarter Blueprint for Action between the years of 2002 and 2008. Research conducted in 2002 determined that 66 percent of executives realized that domestic violence had a serious impact on their staff

(CAEPV, 2009). Furthermore, 85 percent declared that corporate America is responsible for ensuring that their staff has the resources that they need to enroll in EAP (CAEPV, 2009). All statistics were gathered through written and telephonic surveys. There has not been any previous research that focuses on domestic violence and its impact on workplace settings in both the United States and abroad. Smaller studies are often conducted by such agencies as the Department of Labor (CAEPV, 2009). In 2008, researchers from John Hopkins University conducted a study in order to determine the impact that EAP programs have on improving the work productivity of domestic violence victims. The study concluded that that 46 percent of the women surveyed actually contacted a representative from their business' Employee Assistance Program and 89 percent actually used the help that was available. Of those that received help, 71 percent mentioned that the assistance improved their workplace performance. Approximately 20 percent stated that their immediate supervisors suggested that a representative from the Employee Assistance Program be involved. However, there were still individuals that did not seek assistance. Approximately 32 percent did not feel comfortable talking about the subject to their peers. An additional 67 percent were afraid that their employer would find out and believed that the information would cause them to lose their jobs. These statistics are alarming and prove that domestic violence is a series crime which jeopardizes the livelihood of women. However, there are limitations to the report document that provided these statistics.

DATA ANALYSIS AND FINDINGS

Through a 2005 national telephonic survey, The Corporate Alliance to End Partner Violence has led to the following key findings:

1. A 2005 national telephone survey by that 21 percent of full-time employed adults were victims of domestic violence
2. 64 percent of them indicated their work performance was significantly impacted
3. 63 percent of executives claim that domestic violence is a series workplace dilemma
4. 87 percent stated that employers should provide information for victims about how to get help

5. 83 percent stated that employers should have policies in place to assist victims with obtaining help
 6. 77 percent said employers should provide training for supervisors on domestic violence
- After the data was collected, evaluators completed several post tests in order to determine whether these studies provided accurate results and to determine if the data met their assumptions.
- Conclusions, interpretations, and recommendations
- In the previous section of this report, an analysis of the S2 Blueprint for Action Social Marketing Campaign was provided. This section will provide an overview of final conclusions, recommendations, and limitations of the study.
- Answers to Research Questions

Initial Research Questions:

1. Have the placement strategies of campaign materials and products effectively reached the target market?
 2. What additional grant opportunities are available for businesses wanting to enhance the promotion of their S2 Blueprint for Action Social Marketing Campaign?
- In 2008, the Corporate Alliance to End Partner Violence (2008) conducted a study and found that 21 percent of employees worldwide experienced domestic abuse. Approximately 64 percent stated that their inability to focus at work was a direct result of this situation (CAEPV, 2008, par. 1). The results of this study were used to develop a national collaboration between such corporations as Liz Claiborne, Gap Inc. and the Robert Wood Johnson Foundation in an effort to end the impact that domestic violence has in the workplace and improve worker productivity. This national collaboration, known as the S2 Safer Smarter Blueprint for Action, is a national social marketing campaign established to ensure the following:
1. Education programs on issues such as recognizing healthy and unhealthy relationships are available to workplaces;
 2. Businesses are provided with the resources that they need to refer employees for counseling and legal assistance,
 3. Literature that assists managers with the resources they need to assist employees that are struggling with domestic violence is available;

4. Businesses are encouraged to develop a domestic violence response team that is comprised of management staff, human resources, security and the EAP so that they can work to address domestic violence cases immediately (CAEPV, 2008, par. 1).
The ultimate goal of S2 Safer Smarter Blueprint for Action is to encourage businesses and organizations to implement policies and procedures and distribute the marketing materials that are necessary to provide victims of domestic violence with the support that they need to become productive employees. The Corporate Alliance to End Partner Violence markets its efforts through various social media marketing venues including twitter and internet blogging. The impact of the campaign has gained the attention of such major donors as the Robert Woods Johnson Foundation while also garnering their financial support. The S2 Blueprint for Action Social Marketing Campaign was established in 2008, and has not been in existence for a year. It is still operating as a taskforce in some areas throughout the country. However, a logical evaluation tool should be established and used on an ongoing basis. The efficacy study is reported to have the most impact when evaluating social marketing campaigns. This type of evaluation helps to determine the impact of key messages on target audiences (Daugherty, et.al, 2007). It is suggested that a rigorous and measurable evaluation strategy be developed and implemented. Measuring a campaign's effectiveness too early can result in false positives. It is therefore suggested that campaigns are evaluated based upon the goals and objectives that are defined in the agency's campaign plan (Daugherty, et. al, 2007).

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BRANDING ONLINE: AN INTEGRATED MODEL OF RATIONAL AND EMOTION VIEWS

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ABSTRACT

Owing to the competition among online companies becomes more intense, online companies need to propose different strategies to possess long term competitive advantage. In this study, we proposed a model on the basis of emotional and rational dimensions that links several constructs which are crucial for online companies (e.g. corporate social responsibility, corporate ability, brand image, satisfaction, commitment, and stickiness intention) and tested the relationships among them. Research subjects were Internet users who have experiences with Internet service provider. In total, 323 valid responses were used to test research hypotheses. The results showed that (1) the corporate ability and corporate social responsibility will positively influence consumer's satisfaction, which in turn to commitment and stickiness intention, (2) brand image is an important mediator for consumer loyalty, and (3) affective component is a better predictor of consumers' loyalty (stickiness intention). Our research presented an important framework for Internet marketing and benefit to both academic and practitioner.

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UTILIZING THE BRAND ECOSYSTEM FRAMEWORK IN DESIGNING BRANDING STRATEGIES FOR HIGHER EDUCATION

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ABSTRACT

In today's complex and highly competitive marketplace, universities and colleges, realizing a need to develop sustainable strategies, have turned to branding as a solution. However, because of the unique service characteristics, universities' branding attempts may not always result in success. Because universities can differentiate themselves through serving the needs of different segments with different mix of services and products, they must understand not only how these different services are perceived by different segments, but also how these services are interrelated such that a change in one could impact the others. There are a limited number of published studies that identify the factors important for branding universities.

In the literature, the brand ecosystem is proposed to create a specific brand that promises to offer a specific value and image that target consumers desire to experience. The preferences and expectations of the chosen target market(s) are the driving forces for the entire brand ecosystem. Students are central in defining intended experiences because they are the *only* reason for existence of colleges and universities. The brand ecosystem also includes employers, alumni, and donors who may have direct and/or indirect effect on student learning experience and on university brand image. The brand ecosystem framework proposed in this study can be used in developing and managing a strong university brand by identifying all the value delivery networks and the activities in each value network. We present a brand ecosystem of a college or university that can be envisioned as all of the activities that provide value to the institution's various constituencies, both internal and external.

This framework shows the relationship and interactions among the major activities of value-creating networks in higher education (e.g., academics, sports, student life, and community services) when delivering an exceptional learning experience. This paper presents a brand ecosystem framework to develop branding strategies for colleges and universities. The key elements of the framework include: (a) student experiences as the driving force of the university branding strategies, (b) academic services are the core value creation activities in delivering student learning experiences that are co-created with students and faculty, and (c) supporting activities that are important in creating the core value. All these factors individually and/or collectively can affect students' university experience, and ultimately the university's consumer-based brand equity. The framework suggests that both core and supporting value creating activities are dynamically interrelated and work jointly in creating student learning experiences, and ultimately, the university brand.

The authors first discuss the branding in higher education, and explain the concepts of brand value networks in delivering customer value. Next, they present a brand ecosystem and its value networks for creating university brand followed by conclusions. Suggestions for future research are also offered.

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DETERMINANTS OF MARKETER SATISFACTION WITH MARKETING PROGRAMS

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ABSTRACT

The B2B Electronic Marketplace literature on the choice of marketplace type is largely grounded in the transaction cost theory perspective (TCT), often suggesting that the decision of the EM type to choose which maximizes outputs (sales, profits, share) should be guided by consideration of fit with product-market factors. These “success models” often suggest which product-market factors are most relevant to consider when choosing an EM type that will maximize outputs.

Relevant product-market factors suggested have included ownership structure, sources of revenue, types of products, and types of participants, barriers to market entry and market structure. Much less consideration, however, has been given in the EM type choice research as to the relevance in performance judgments of the inputs required to achieve levels of outputs, such as the fit with internal resources and management skills, minimizing management effort as well as external moderators of output evaluations, such as gaining durable competitive advantage and choosing EM types which best enhance relationships with supply chain partners. These factors are often subjective, moderate evaluations of output measures and are best explained by the population ecology, institutional, network perspectives, rather than the TCT perspective.

Structural Equation Modeling techniques are utilized based on data collected from 194 Canadian Marketing Managers. The perspectives of population ecology, institutional, network and transaction cost theories are employed to assess the multi-dimensional nature of performance evaluation in the specific context of the choice of EM type. All perspectives are found to be relevant in predicting optimal EM type choice, although fit with product-market factors (the TCT perspective) is not found to be an explicit *a priori* consideration by marketers in setting expectations for the performance of EM types.

These findings suggest that most “dashboard” metrics could better reflect the reality of marketer’s satisfaction judgments regarding EM type choice, if these often subjective moderators of output measures were to be incorporated.

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A REGULATORY FOCUS – REACTANCE FRAMEWORK OF CONSUMER CHOICES TOWARD LOYALTY PROGRAM REWARDS

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ABSTRACT

Loyalty programs have become one of the key customer relationship management (CRM) tools for marketers over the past decade. Yet, the need for research that examines the impact of various psychological factors on consumer participation in such programs still persists. This paper presents a conceptual framework which integrates regulatory focus and psychological reactance in predicting the reward choice behavior undertaken by consumers participating in loyalty programs. In particular, it is proposed that the fit between individual regulatory focus and the particular reward offered by a loyalty program enhances consumers' willingness to participate in the program.

Individuals experience psychological reactance when there is a threat to their freedom of choice. Marketing appeals such as loyalty programs are known to trigger situational reactance among consumers since individuals perceive them as an external attempt to control their consumption choices. The magnitude of situational reactance experienced by individuals is in part determined by their level of chronic reactance. The present paper suggests that chronic reactance levels, in turn, may be influenced by individuals' regulatory focus.

Compared to prevention-focused consumers, promotion-focused consumers tend to experience higher levels of chronic and situational reactance. Therefore, prevention-focused consumers are more likely to join loyalty programs than promotion-focused consumers. However, loyalty program marketers may be able to attract both types of consumers by offering rewards that fit individuals' regulatory orientation. While promotion-focused consumers are more likely to prefer loyalty programs that offer effort-congruent rewards, prevention-focused consumers are expected to prefer loyalty programs that offer effort-incongruent rewards. As a result, providing appropriate rewards may help marketers overcome consumer reactance and increase participation in loyalty programs.

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ASSESSING MALL PERFORMANCE FROM CUSTOMERS' PERSPECTIVE: A MEASUREMENT APPROACH

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ABSTRACT

This paper introduces a measure to assess mall performance from customers' perspective. The measure was developed by considering the instrumentality and effect components of a set of relevant motives for choosing a mall. Three alternative formulations were investigated based on data from a Southeastern SMA. Results and implications of the study are discussed.

INTRODUCTION

The definition and measurement of organizational performance have long intrigued the minds of scholars from a wide variety of disciplines as well as management practitioners. From a managerial perspective, sound performance measures are crucial since, without a performance referent, managers cannot consistently evaluate the outcomes of their strategic actions. From a research perspective, performance is often a dependent variable of primary interest helping to identify which factors/attributes/characteristics lead to higher levels of performance. Consequently, valid and reliable measures of performance are critical for both managerial and research purposes.

A review of the extant literature shows that performance of an organization can be assessed via objective or subjective approaches (Behn 2003). Objective approaches rely on hard measures (e.g., revenues and other financial measures). Subjective approaches, on the other hand, rely on various publics' (e.g., managers, customers, partners) perceptual evaluations of the performance of an organization. While some scholars suggest that no one approach is inherently superior to the other, the issue of hard versus soft measures is a topic of significant debate (Kelly and Swindell 2002). Some purists insist that only such hard measures as financial and operational indicators provide reliable measures of organizational performance (Ammons 1996). Others believe that soft, qualitative measures present a richer and multifaceted picture of performance (Kokkinaki and Ambler 1999).

A major criticism of financial measures embodied in objective approaches is that such measures evaluate only a single dimension of performance and do not necessarily reflect various publics' satisfaction. Furthermore, while hard measures are quantitative and are easily interpretable, the perceptions embodied in

subjective approaches can provide managers with richer insights for strategic actions. Against this background, in this study a subjective measure is proposed to assess the performance of a mall from customers' perspective.

METHODOLOGY

Data for the study were collected as part of a larger study through self-administered questionnaires from residents in a Southeastern MSA. Four-hundred questionnaires were hand-delivered to respondents living in different neighborhoods and were personally picked up. After a three-week period, of the 400 questionnaires distributed, 319 usable ones were retrieved.

To achieve the purposes of the study, several questions were asked to the respondents. First, on seven-point scales ranging from 7=very important to 1=not important at all, respondents were asked to indicate the level of importance they attached to six (6) patronage motives in their decision to choose a mall. Second, again by using 7-point scales ranging from 1=very poor to 7=excellent, respondents were asked to evaluate the performance of a mall in the study area in terms of these attributes. Third, respondents were asked how frequently they shopped at a mall. Finally, respondents were asked to indicate which of the two malls in the study locale was their favorite mall.

By considering the instrumentality (importance) and effect (performance) components of each motive, three alternative formulations were then derived. The first measure (P) was obtained by summing respondents' answers regarding the performance of the focal mall in a linear fashion. The second measure (I*P) was obtained by multiplying the importance and performance scores for each motive and summing these products over six motives. By adding the importance and performance responses for each motive and then

summing these over the six motives, the third measure (I+P) was derived.

RESULTS

To assess the reliabilities of the alternative formulations of the measure, coefficient alphas were computed. Coefficient alpha indicates reliability in terms of the internal consistency of items relating to a single trait within a questionnaire. Reliability coefficients of .70 or higher are deemed sufficient in earlier stages of scale development. The internal consistency reliability coefficients ranged from .66 to .76. To further examine the internal consistency reliability of the alternative formulations, inter-item and item-total correlation coefficients for each formulation were computed. Established guidelines suggest that inter-item correlations should fall within .10 - .60 bounds and item-total correlations should range between .30 and .80. A scrutiny of the correlation matrices showed that item-total correlations for all three formulations were within the guidelines and a great majority of the inter-item correlations were within the .10 - .60 limits.

To ascertain the unidimensionality of the alternative formulations, items comprising each of the three formulations were subjected to exploratory factor analysis. The analyses resulted in one factor with eigen values greater than 1 for all the formulations. The variances accounted for by these factors ranged from 34.9 to 40.1%.

In further analysis, convergence among different formulations was investigated. Existence of convergence would imply that the use of a given formulation should be dictated by practical concerns. Such convergence for instance, would favor the simpler formulation relative to a more cumbersome composite measure. However, if the different formulations were relatively uncorrelated, this would imply that either one or more of the methods is suspect. The intercorrelations were all significant and ranged from .77 to .97.

When a construct of interest is related to other constructs assessing a different but conceptually related construct by a body of theory or according to a priori expectations, confirmation of the relationship predicted by theory/expectations is evidence of nomological validity. In this study, the nomological validity of alternative formulations was assessed by relating them to two conceptually related concepts, frequency of visits to a mall and mall preference. Because of the scoring method used in the study, correlations between these two factors and the alternative measures were expected to be positive. An examination of the pairwise correlations between alternative formulations and these

two variables showed that all were significant and the signs of the coefficients, as expected, were positive.

CONCLUSIONS

In this study, a subjective performance measure that can be used to assess the performance of a mall from the perspective of customers was proposed and the psychometric properties of three alternative formulations of that measure were assessed. The evidence generated here, favors the P and I*P measures. Basing a measure on a single dimension (i.e., P) is parsimonious and, hence, may be desirable for data collection purposes. Yet the recommendation here is to adopt the I*P measure. This is because using multiplicative/weighted scores as opposed to only the performance scores makes it possible to go beyond the mere why or how questions. Simultaneous consideration of importance and performance dimensions affords a richer and more relevant understanding. On a closing note it should be underscored that this study was conducted among a particular sample of respondents. This may delimit generalizations. Replications among other samples would be illuminating in cross-validating the findings.

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SPECIALTY STORE EXPERTISE: SCALE DEVELOPMENT

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ABSTRACT

This paper demonstrates the development of a three-item scale for measuring specialty store expertise for use in empirical papers on this underexplored topic. Factor analysis shows the three questions loading on a single variable. The scale has a Cronbach's alpha of .935.

INTRODUCTION

Specialty retail stores form a significant part of the U.S. economy, with 115,000 such businesses accounting for annual sales of more than \$400 billion (Evans and Berman, 2010). Despite this importance, relatively little work has been done looking at this type of store. Specialty stores are retailers that typically sell only one product line, but offer great depth or selection within that line. They are often found in such product lines as clothing, consumer electronics, toys, books, and hardware. The limited research in this area has generally looked at clothing retailers.

While there are some large specialty retailers, such as Nordstrom's, the vast majority of the stores in this category are small businesses. With the growth and product line expansion of large discounters and the continuing expansion of the Internet, these businesses need a way to keep customers coming. Perceived store expertise has been suggested as one method by which this could work, though no evidence was provided for it (Levy and Weitz, 2009).

The purpose of this study is to develop a scale that can be used for empirical research looking at specialty store expertise.

LITERATURE REVIEW

While very little work has been done in the area of specialty store expertise, there has been some work published in related areas. One of these areas is service quality, most notably the controversial SERVQUAL scale. SERVQUAL identifies five dimensions as making up perceived service quality: reliability, responsiveness, assurance, empathy and tangibles. One of these, assurance, involves customer confidence that a service provider has the ability to carry out tasks competently (e.g. Arasli et al., 2005; Parasuraman et al., 1985, 1988, 1994). This does not measure

actual expertise where that is relevant. For example, a customer wants a supermarket cashier

to ring items up correctly, but this task does not involve expertise on the part of a cashier. SERVQUAL is not designed to address situations where customers seek advice from service providers or retailers rather than simply competence.

Research on the issue of expertise has generally focused on customer expertise. In their seminal article, Alba and Hutchinson (1987) identify two dimensions of consumer knowledge: familiarity (the number of product related experiences accumulated by the consumer) and expertise (the ability to perform product related tasks successfully.) Consumer expertise can be improved as familiarity increases. This works in a variety of ways including reduction of cognitive effort required due to simple repetition, improved ability to remember, analyze and synthesize information and, development of more refined and complex cognitive structures to help differentiate products. Product categorization increases with expertise, partly because experts have a lower cost of acquiring new information and identifying what information is available. This enables experts to identify detailed categories whereas novices see only broader categories. Later work by Alba and Hutchinson (2000) found that customers often do a poor job of assessing their own level of knowledge, to the point that confidence and accuracy are sometimes uncorrelated. This latter finding has been confirmed in work by Sieck and Yates (2001).

East (1992) found that one major difference between expert customers and novices is that experts relied more on perceived benefits in purchase decisions while novices were more oriented to what others thought they should buy.

How customer expertise affects business is not entirely clear. Greater consumer knowledge may lead to lower customer loyalty, may have no effect, or may increase loyalty, depending on the

circumstances (Bell et al., 2005; Capraro et al., 2003; Cooil et al., 2007).

In a study of a specialty clothing retailer, Seiders et al. (2005) shows that repurchase by satisfied customers is moderated by convenience, competitive intensity, customer involvement, and household income. They indicate that consumer resource allocation theory provides a useful conceptual framework to study consumer satisfaction, repurchase intent and repurchase behavior. Consumer resource allocation theory posits that consumers have limited resources (such as time, money, effort, cognitive ability) which they use or allocate in making a purchase decision. Because these resources are limited consumers attempt to conserve them when buying products and selecting a retailer.

Consumer resource allocation theory provides a rational basis for the importance of store expertise. Customers will be more likely to shop at stores that offer them some benefit for taking the time to visit the store. Store expertise may be one way a store can offer such a benefit, offering the consumer something not available elsewhere.

METHODOLOGY

The researchers came up with six questions to measure expertise, three to measure store expertise and three to measure customer expertise, since there did not appear to be any existing scales measuring either concept. The items were pretested with a small sample along with a number of other questions for another study. Following comments from the protesters, minor modifications were made to the wording of some of the items.

A mail survey was then sent to randomly chosen customers of a small Pennsylvania retailer of dance shoes and apparel. The questions related to store and customer expertise are listed below. All of these items used 5-point Likert scales asking respondents to agree or disagree. (In the survey, these questions were numbered 8 through 13.)

1. Store employees at (store name) are helpful in picking the right dance shoe.
2. Store employees at (store name) are knowledgeable about dance shoes.
3. Store employees at (store name) have expertise in selecting dance shoes.
4. I am confident I could select the right dance shoe myself.
5. I am knowledgeable about dance shoes.
6. I do not need help to select the right dance shoe.

Surveys were sent to 682 customers on the store's mailing list. Just prior to the mailing, the store owner sent an e-mail message alerting customers to the survey and asking for their cooperation. Also, a week after the mailing another

e-mail message was sent asking customers to fill out the survey and return it promptly. Each letter contained a survey, cover letter, self-addressed, postage free envelope, a blank card to be returned with name and contact information if the respondent wished to be included in a drawing for three store gift certificates. Eventually a total of 210 useful surveys were returned for a response rate of 31 percent.

Reflective of the customer base, nearly all respondents were females (four males). Just over 65 percent were between 36 and 50 years old, with the remainder evenly split between older and younger. More than half (and almost two-thirds who answered the question) reported income over \$75,000. Another 18 percent reported household income of between \$50,000 and \$75,000, with about 12 percent lower and 18 percent not responding. Nearly 84 percent were buying for a child and just under a quarter for themselves. Only six made purchases for someone else.

RESULTS

In conducting our data analysis, which was carried out using SPSS 17.0, we first looked at whether there was a construct of store expertise and whether there was one reflecting customer expertise. We carried out factor analyses using principal axis factoring to check this and found that the three questions we had generated reflecting store expertise loaded on a single factor. The one factor extracted accounted for 88.8 percent of the variance initially and 83.3 percent following extraction. The factor loadings ranged from .894 to .936. A separate analysis produced similar results for the customer expertise questions. This time, the single extracted factor with an eigenvalue over 1 accounted for 76.8 percent of the variance initially and 65.6 percent following extraction, and the factor loadings ranged from .737 to .844. A factor analysis looking at the six questions together revealed two factors, with the three questions reflecting store expertise loading on one factor and the three reflecting customer expertise loading on the other. The two factors together accounted for 74.9 percent of the variance following rotation (using Quartimax, which produces "cleaner" variables than Varimax, though in practice the differences are negligible). The factor loadings for the three questions loading on the store expertise factor ranged from .889 to .932. The factor loadings for the three questions loading on the customer ("own") expertise variable ranged from .723 to .842. Thus it appears that the two constructs do exist and are separate constructs in the minds of the survey respondents. The rotated factor matrix looking at the six questions together appears below in Table 1.

We then constructed a composite variable comprising the three questions on store expertise. This composite variable had a Cronbach's Alpha of .935, indicating that combining the three questions into a single variable was reasonable. Next, we

Table 1. Factor Analysis for Expertise Variables Rotated Factor Matrix^a

	Factor	
	1	2
Q11 Confidence	-.071	.841
Q12 I Know	-.054	.842
Q13 No Help	-.212	.723
Q8 Helpful	.894	-.162
Q9 Knowledge	.932	-.079
Q10 Expert	.889	-.118

Extraction Method: Principal Axis Factoring.
Rotation Method: Quartimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

followed the same procedure for customer expertise and found that its single variable had a Cronbach's Alpha of .848 thus again indicating that combining the three questions on customer expertise was also reasonable.

Since the questions we used to measure store expertise have not previously been used in their exact wording in prior studies, we took steps to demonstrate the validity of our measures. Validity is generally considered to have four aspects: reliability, convergent validity, divergent validity, and nomological validity. Since the questions clearly ask about expertise, they pass the nomological validity test. That the questions on store expertise clearly differ – as shown by the factor analysis – from the questions on customer expertise demonstrates divergent validity in that the store expertise questions are clearly measuring something different from the customer expertise questions. The store expertise and own expertise factors have a correlation of $-.24$ ($p=.001$), further demonstrating divergent validity. Since as noted there have been no prior studies in this area, and thus no questions developed by other authors or established scales, it is not yet possible to establish convergent validity. One purpose of this study is to establish a point from which future studies may be able to establish convergent validity. In any event, given that the measures succeed at passing the other validity tests, it is clear that the questions are measuring something, and that something appears on its face to be store expertise. Finally, to establish reliability, we split our sample in half using SPSS's random filtering procedure and compared the factor analyses and reliability analysis for the two halves of the sample. Both halves of the sample had similar factor loadings, with all the store expertise

questions loading on one factor and the customer expertise questions loading on the second. Factor loadings for the store expertise questions ranged from .884 to .911 for the first sample and .881 to .948 for the second. The reliability analysis yielded a Cronbach's Alpha of .901 for the first sample and .926 for the second.

The scale for store expertise in the study proved useful in predicting levels of customer satisfaction and share of wallet at the dance supply retailer (Friedman and Brown, 2009). In another study involving non-store retailing, preliminary results suggest scale results are useful in predicting levels of customer satisfaction. The customer expertise scale did not provide useful results in predicting either satisfaction or share of wallet, but that does not suggest problems with the scale; rather the lack of influence is likely due to the lack of a relationship between customer expertise and purchase patterns at least in those cases.

Further work is needed to test the usefulness of the scales developed, looking at other types of retailers and various types of purchasing situations – differing, for example, in levels of involvement, frequency of purchase and dollar value of purchase. However, it appears clear that the store expertise scale described here can be used as a measure to evaluate the effects of store expertise on customer satisfaction and share of wallet at specialty retail stores.

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HOW ETHNIC RETAILERS CAN SUCCEED OUTSIDE OF THEIR NATIVE MARKET: A CASE OF A KOREAN SUPERMARKET CHAIN

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ABSTRACT

This article exposts how a Korean specialty food retail chain has been capitalizing on the changes occurring in the U.S. retail market place to expand its market share and grow into a mainstream grocery chain,

CHANGING ETHNIC LANDSCAPE OF THE U.S. RETAIL MARKETPLACE

According to the U.S. Census Bureau, the U.S. minority population is growing in numbers, and currently one in three U.S. residents is considered a member of an ethnic minority group. Further analysis of the demographic data of ethnic population indicates that the Hispanic population is the largest in number and Asian Americans, have the biggest buying power. Media trends in the U.S. that positively and more widely embrace ethnic subcultures also make the mainstream consumers more accepting and attracted to ethnic products that have been previously considered “exotic” or “foreign.” Some examples of this might be such shows as “Iron Chef”, which promote cooking with exotic ingredients as something accessible to the mainstream audience. Popular chefs of urban restaurants are also publicizing cooking with exotic ingredients via their blogs serving as an aspiration group to mainstream consumers. This helped many ethnic food items gain exposure and interest among mainstream shoppers.

Changes in the eating culture in the U.S. mainstream market, such as heightened concerns for healthy eating and increase in home cooking due to economic downturn also contributed to the rise of ethnic food popularity. The selective exposure to certain Asian cuisine (e.g., Japanese) shaped the popular perception among the mainstream that Asian recipes use many more fresh, natural, and healthy ingredients drives the mainstream consumer to experiment more readily with exotic ingredients. As more and more families cook and eat at home more often, mainstream consumers started experimenting in their kitchens with new and exotic ingredients. As a result, aside from Japanese and Chinese cuisines that have been already popular, a variety of other Asian

cuisines such as Indian, Korean, Vietnamese, and Thai have rapidly gained popularity in many U.S. metropolitan areas and the city suburbs in recent years.

These trends present ethnic retailers the opportunity to attract a diverse group of consumers beyond their own ethnic enclaves. At the same time, ethnic retailers’ attempts to break out of their ethnic confines and penetrate into the mainstream market pose many challenges and hurdles ethnic retailers must overcome to survive and grow in the diverse and ever-changing market. This article discusses the emerging trends in regards to ethnic retailing and takes the case of H Mart to illustrate how an ethnic retailer has successfully expanded in the urban markets in US and Canada by being finely tuned to the changing tastes of its consumers.

HOW H MART IS CAPITALIZING ON MULTICULTURAL TRENDS IN THE U.S. MARKETPLACE

Founded in 1982 as an independent corner grocery store in Woodside, Queens, NY, called *Han Ah Ream* mainly served ethnic grocery shopping needs of the local Korean community. H Mart has since grown into a large Asian food specialty chain that owns 33 stores in urban centers in 12 states in the US and 2 stores in Canada. Currently, its 8,000 to 54,000 square foot stores offer over 25,000 different products, which are tailored to varied needs and tastes of diverse customers in each local market.

H Mart’s rapid growth can be partly attributed to its nimble embodiment of ethnic diversity and new eating culture happening in the United States. In addition to Korean food items, shoppers can find a wide selection of hard-to-find ingredients for pan-Asian cuisines such as Chinese, Japanese, Vietnamese,

and Thai. In addition, H Mart carries ingredients for Mexican and other South American cuisines have been embraced by the mainstream. Furthermore, globalization and advances in technology, namely the internet, have contributed to ethnic becoming hip and more widely desired.

H Mart stores stock traditional American grocery items such as canned soups and cereal. On its website, H Mart boasts that it offers “spaghettis and sauce in one aisle, arroz and tortillas in the next and Korean kimchi and fermented bean paste in another (www.hmart.com/company_intro.asp).” The diverse selection of exotic, hard-to-find ingredients and complementary selection of American staple items that are offered at competitive prices attract customers of all backgrounds. In a recent interview with *The Washington Post* (McCart, 2009). H Mart spokesman Jimmy Kim at its New Jersey headquarters said that only a half of the Korean retailer’s customers nationwide are of Asian descent. The success achieved by H Mart’s multiethnic merchandising strategy illustrates how to capitalize on emerging multicultural trends to attract a much wider market segments including the mainstream consumers with the right mix of merchandise that position the ethnic retailer as a one stop shopping destination for all types of younger, hip and urban shoppers.

A MODEL OF ETHNIC BUSINESS GROWTH STRATEGY

Aside from its multiethnic merchandising, H Mart’s success and rapid growth can be attributed to its adherence to the typical ethnic business growth strategy. Many ethnic entrepreneurs initially pursue an “ethnic niche” strategy serving co-ethnic customers of the local community who have special needs that can’t be served by mainstream competitors effectively (Aldrich et al. 1985; Light 1972), often participating in self-sustaining networks of international scope (Mitra, Lahiri, and Ohohe 1995). As their businesses get more established, some ethnic minority businesses “break out” from their ethnic community markets and become “minority middlemen”, supplying ethnic goods to other ethnic minorities and mainstream consumers, while continuing to rely on co-ethnic sources of labor, finance, and supplies (Fallon and Brown 2004). The path of H Mart’s growth so far – starting as a family-owned ethnic local grocer that caters to special needs of local Korean community and growing into nationwide Asian specialty food retail chain targeting multiple ethnic minority consumers – is representative of the typical growth pattern of successful ethnic businesses. H Mart has followed this path, and it has aggressively and successfully expanded its reach and market share in North America.

Staying True to Satisfying Their Core Ethnic Consumer Needs

The success of H Mart in the past two decades can be partly attributed to its adherence to the highly demanding principles of Korean food retailing, where consumers demand freshness and safety of products, pampering level of customer service, and competitive prices at the same time. It is important to point out that retailers such as WalMart have failed to thrive in South Korea, but retailers such as Costco are quite well received in that market. WalMart’s competitive advantage in offering the lowest prices was not enough to appeal to the choosy Korean consumer who wants variety, value and excitement – all under one roof. To satisfy its core ethnic customers, Korean immigrants, who are accustomed to such high standards of food retail industry, H Mart strives to maintain high levels of freshness and safety of products and customer services. It schedules sanitation and inspection activities regularly to maintain food safety. It invests heavily in employee training on food safety and customer services, by holding “Safety Awareness” and “Customer Service Awareness” meetings and classes. Through these activities, H Mart aims to enhance the safety levels beyond those required by FDA or USDA regulations (www.hmart.com/company/company_intro.asp). Its emphasis on clean and sanitary store ambience and the resulting clean, luxurious, and well-organized appearance and sleek ambience of the store is one of reasons why many Korean and Asian shoppers choose it over other Korean and Asian supermarkets to meet their ethnic needs.

At the same time, as many Korean immigrants are price sensitive, H Mart must maintain its prices at quite competitive level compared to other Asian specialty food retailers like Mistuwa, a Japanese food retail chain, or other mainstream grocery stores who sell limited variety of specialty food items like Whole Foods. H Mart has been largely successful in keeping its prices for Korean and other Asian food products by striving to optimize its inventory, lower purchase prices, differentiate merchandise based on quality, and reduce logistics costs.

Utilizing Co-ethnic Business Networks and Resources

H Mart achieved the goals of optimizing its inventory, lowering purchase prices, and reducing logistics costs by building its own supply chain network by acquiring other Korean businesses or by establishing its own subsidiaries. H Mart now owns its own packaged Korean specialty food (i.e., kimchi) processor, a wholesale import company, seafood

wholesaler, warehousing and logistics centers, and online home shopping company. For other functions and activities, which it has not integrated internally, H Mart uses a network of companies owned and operated by other Korean-American in the US or Korean businesses, over which the powerful retailer exercises strict control.

H Mart's expansive reliance on co-ethnic business partners in its supply chain network is necessary because Korean partners are best qualified to procure, produce, process, and deliver Korean specialty food products meeting the high standards of H Mart. However, H Mart's expansive use of Korean co-ethnic businesses helps it reduce transaction costs by reducing contract uncertainties and opportunism by supply chain members. Some characteristics of Korean American community such as geographic concentrations, strong family and social ties, and social isolation from mainstream American society make reputational and social sanctions for opportunism in business relations significant. Therefore, co-ethnic Korean partners are less likely to distort ex-ante information or to commit ex-post contractual opportunism (Iyer and Shapiro 1999; Kotkin 1992). Combined with the mutual trust and dependence among the supply chain members, which already exist due to ethnic identity relationship and kinship, such reduction of uncertainty and opportunism can help reduce transaction costs of the entire supply chain, enabling H Mart to offer its high quality products at competitive prices.

Serving as a Retail Magnet for Local Ethnic Businesses

H Mart has been creating a competitive advantage over other Asian specialty food retailers, including other Korean grocers, by serving as a retail magnet for other Korean and other Asian specialty stores. When a new H Mart store opens the management chooses a location that allows it to become an anchor store in a retail power center and that leverage enables it to attract smaller niche ethnic retailers. These larger H Mart stores located retail power centers in major urban and suburban areas are called "Super H Mart" and they feature a variety of Korean and other Asian specialty gift shops, yogurt shops, bookstores, cosmetic boutiques, bakeries, household electronics stores, restaurants, furniture stores, video and music stores, computer service kiosks, or community on the premises. For example, H Mart in Carrollton, TX, in collaboration with the city, The Carrollton Asian Town Center, LP, played a central role in revitalizing once doomed Furneaux Creek Shopping Center by attracting many Korean retailers (Gonzalez, CBS 11 News, 2008). In Gwynett County near Atlanta, GA, four Super H Mart stores attracted a cluster of Korean and other

Asian businesses to form Koreatown along Buford Highway corridor, which is considered to be "the greatest concentration of ethnic-owned businesses in the Southeast" (Asian Week Staff Report, 2005).

By housing a small shopping mall with various Asian specialty shops like Vietnamese noodle shop and Chinese acupuncture clinic in their storefront, they are creating a hypermarket atmosphere and becoming a popular "weekend outing" destination for many Koreans and Asians in their local communities. The food court at H Mart features many exotic ethnic dishes and is a source for dissemination of the culture and the exotic foods associated with its rich culinary history. By positioning itself as the anchor store in newly developed new Koreatown or Asian retail centers in the areas where Asian population begins to grow, H Mart surrounds itself with many ethnic specialty stores and businesses and increases traffic to its own store. In this aspect H Mart demonstrates all of the qualities of a hypermarket that capitalizes on its size, attractiveness and location to act as a magnet for smaller, complementary businesses – thereby increasing the strength of its pull.

Targeting the Mainstream Consumers

Although it has charted a solid success as an ethnic specialty retailer, H Mart is not content to be a successful Asian food specialty retailer. It aspires to become a successful "mainstream" grocery retailer in the US by becoming a one-stop shopping center that offers a variety of ethnic and non-ethnic food and non-food household items of high quality to its customers with high level of services. H Mart aspires to growth into a mainstream grocery chain by attracting more mainstream consumers while retaining its traditional Korean and Asian customers. In a recent interview with a local Korean newspaper, Mr. Kyung-Seok Kim, store manager of Super H Mart at Dulluth, GA, acknowledged that growth potential solely based on Korean community is limited, especially when H Mart has already entered most Korean-population dense areas including Los Angeles, CA. He summed up H Mart's future growth strategy as "localization firmly rooted in Korean culture." With its diverse merchandise, high standards for freshness and safety of its merchandise, competitive prices, tight and efficient supply chain network, and its experience and knowhow in attracting some non-Asian shoppers, coupled with the more accepting and integrated multicultural trends in the U.S. market place, H Mart seems to be well prepared to accomplish its aspiration to become a successful major mainstream retail chain.

CHALLENGES IN AND INTEGRATED, MULTIETHNIC CULTURAL U.S. MARKET

While the increasingly multicultural U.S. retail landscape provides opportunities for ethnic retailers to expand its appeals to outside of their own ethnic enclaves and to reach mainstream market segments, the same more integrated ethnic and cultural landscape poses new challenges for them too. For example, although the number of Korean and other Asian consumers and their buying power are still growing, many of these Asian immigrants who used be concentrated in inner city neighborhoods of metropolitan cities like New York, Los Angeles, and Chicago have been moving to more desirable suburbs. On the one hand this in-migration of ethnic minorities enables their ethnic cultures to be introduced to a wider range of traditionally White-dominant neighborhoods; on the other hand, it also makes ethnic consumers be more scattered geographically and more assimilated to the mainstream culture.

As consumers' degree of ethnic affiliation and degree of acculturation into the host culture, not just their nominal ethnic background such as nationality or race, influence their needs and preference for ethnic products, (Choe 1987; Cui and Powell 1993; Green 1992; Donthu and Cherian 1994), such integration can pose threats to ethnic retailers. For instance, many older, first generation Korean and Asian consumers still cherish their own cultures, maintain their ethnic lifestyle, and exhibit a strong preference for products that emphasize their ethnic identity and cultural heritage. However, the second or third generations of these ethnic groups, who grew up and socialized in the United States, are adopting the mainstream lifestyle, and their consumption culture, including food consumption, is being assimilated to those of mainstream consumers (Cui 1997; Cui and Choudhury 2002). As more and more ethnic minority consumers get more deeply acculturated into the mainstream culture, the future survival and growth of ethnic retailers may be constrained if they fail to retain their younger, more assimilated consumers or attract the mainstream consumers. This certainly poses a threat to the deeply ethnic retailers such as H Mart, who need to vary their offerings and constantly monitor their value proposition.

In this sense, ethnic businesses can help themselves by playing a very important role to those customers getting reacquainted with and maintaining their cultural ethnic cultural ethnic identity. Many retailers walk a fine line between integrating into the main stream and on the other hand not alienating consumers who appreciate the ethnic uniqueness. In Aldrich and Waldinger's (1990) terms, it means that H Mart must convert the status of Korean and Asian

foods as "exotic goods" among mainstream and younger generation Korean consumers into that of "profit-making commodities goods." In this regard, H Mart holds a series of Korean/Asian food festivals, themed around traditional Korean holidays and seasons, to increase the awareness of Korean foods among mainstream consumers and educate mainstream consumers about the appeal of a Korean eatery. These events are typically combined with special sale events, sweepstakes, coupons, and other sales promotion activities to induce trials among mainstream consumers and combine value and excitement. Just like Costco does on during its famous lunchtime sample stations.

Expanding into mainstream market presents other structural challenges such as greater competition from mainstream businesses, replacement of co-ethnic labor with non-ethnic workers to serve wider markets better and the resulting abandonment of ethnic solidarity and labor resources (Jones *et al.* 1994; Ram *et al.*, 1998; Wright, Martin, and Stone 2003). Like many other ethnic businesses, H Mart has been a major employer of many newly-arrived Korean and other minority immigrants who lack sophisticated skills and English proficiency to seek employment at mainstream firms. However, H Mart may have to replace its co-ethnic employees with more English proficient employees to better serve the non-Asian shoppers who are not versed in Asian ingredients and they need help from customer representatives in getting what they want (McCarty 2009). Such tactical changes may alienate Korean immigrant community who have been and will be the core of H Mart's loyal customer base, especially when Korean shoppers have alternative outlets to satisfy their Korean ethnic needs in smaller but up and coming Korean food retail chains such as *Grand Mart* and *Assai Mart*.

CONCLUSION

Successful ethnic retailers have to effectively cater to consumers' fickle food tastes and respond to their ever-increasing demand for value. Retailer theory claims that retailers can either specialize in the depth of the merchandise category or offer a breadth of merchandise offerings. H mart's retail strategy proves that the successful Korean retailer can do *both* effectively, while capitalizing on the rising trend of ethnic marketing and the popularity of Asian cuisine. These trends are also supported by demographic shifts that lead the US toward a much more ethnically diverse society. Another trend that aids in the development of multiethnic retailers is globalization and the proliferation of information via the internet and popular media. Dealing with the more acculturated consumers presents a particular challenge for an ethnic retailer such as H Mart who is trying to retain its distinct

cultural identity and heritage. In conclusion, H Mart's success is interesting in that the retailer draws on the strength of a specialty retailer, uses elements of a hypermarket and although distinctively Korean, caters to a wider ethnic audience. At the same time the retailer's attention to quality, its network of trusted suppliers and value offerings serves as a magnet for many a customer.

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ALLOCATION AND BUDGETING DECISIONS OF OLDER CONSUMERS: AN EXPLORATORY STUDY

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ABSTRACT

The mature market segment is growing and becoming increasingly more important to marketers. This long ignored segment has only recently been recognized as one with substantial untapped buying power. The purpose of this reported exploratory study is to better understand how older consumers allocate and budget their economic resources.

Based on the phenomenological approach, which requires in-depth personal interviews, individuals from a church, a retirement community and a local university over the age of 55 were recruited to participate in the study. Ten individuals were selected and participated in interviews, which ranged from one to one and one-half hours in length. Each participant described in detail the allocation and budgeting processes they used and the criteria for determining spending and saving decisions.

The raw data, as recorded, were transcribed verbatim for each subject. These transcriptions were subjected to phenomenological analysis. The procedural steps used were based on the work of recognized experts in the field such as Colaizzi, Polkinghorn, and Moustakas. While there are variations in the actual steps used, most phenomenological researchers recommend four general steps. These include: horizontalization, clusters of meanings, textural description, and structural description. This protocol requires that relevant statements are taken from the individual interviews. The statements are divided by concept then transformed into clusters of meanings expressed in conceptual terms. The transformations are tied together in general descriptions and contextualized.

The findings indicate that older consumers tend to make decisions regarding resource allocation and budgeting at the time of retirement. Their years of allocating and budgeting have given them a wealth of knowledge and experience, which they use as a base for projecting income, expenses, and purchases. Most consumers in the study use relatively secure projected income from pensions, annuities, and/or social security, which are directed to checking accounts for living expenses. They plan expenditures on a yearly basis, but tend to budget on a monthly basis. Almost all older consumers have allocated resources for emergencies, their own illnesses, or a "rainy day." These resources may be in savings accounts, commodities, or financial instruments and any interest or dividends from these resources are reinvested. Some resources are primarily designated to be passed on to others, but could be used if there was a real necessity. Credit is used for convenience, not as a tool for increasing one's buying power.

These findings, though exploratory in nature, should be of interest to a variety of firms that target older consumers as well as adding to consumer behaviorists' understanding of the mature market.

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PROPOSING AN EXAMINATION OF THE IMAGE CONGRUENCE HYPOTHESIS AND CONSUMERS IN THE HEALTH CLUB INDUSTRY

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ABSTRACT

The current research investigates the extent to which actual and ideal self-congruities are indicative of health club patronage. An integrative model of self-concept, self-congruity, health club image, and health club patronage provides the foundation of our hypotheses. This paper presents an overview of the research in this area, hypothesis development, and a discussion of methodology.

INTRODUCTION

It has been noted that individuals “behave in a fashion consistent with the pictures they hold of themselves and interpret any experience contradictory to this self-picture as a threat” (Rosenberg 1979, p.57). Additionally, many scholars seem to agree that a consumer’s attitude, purchase intention, and preference toward a brand are largely affected by a perceived similarity between the brand’s image and the consumer’s self image (Birdwell 1968; Dolich 1969; Graeff 1996; Hughes 1976; Landon 1974; Sirgy 1982). The perceived similarity between an individual’s self-image and the image of a product has been referred to as self-congruity (Graeff 1996; Sirgy 1985). It has been suggested that consumers will likely purchase products which they perceive as being more congruent to their self-concept, or, further, that the acquisition of the product will enhance the individual’s self-concept (Grubb and Grathwohl 1967; Landon 1974). Moreover, past research has indicated that individuals tend to prefer environments (Pervin 1967) and stores (Stern, Bush, and Hair 1977) which maintain images they perceive as being more similar to the self-concept (Pervin 1967), and that “consumers feel uncomfortable if they visit a store which does not reflect their perceptions of themselves” (Ibrahim and Najjar 2007, p.220). Aaker (1997) suggests that the image of a brand is molded by the brand’s user imagery, and the type of clientele a store caters to will affect the consumer’s purchase intentions (Blackwell, Miniard & Engel 2006). According to Sirgy, Grewal, and Mangleburg (2000, p.127) an individual will perceive stores differently based on a store’s patron-image, and, “the greater the congruence between the store patron image and

the consumer’s self-concept, the more likely that the consumer has a favorable attitude toward that store (and the more likely that he/she would patronize that store).” Therefore, a consumer is likely to patronize a store whose image is congruent to the self-image. Further research into self-concept has resulted in the identification of multiple self-concepts or “possible selves” (Markus & Nurius 1986, p.954). Such findings have allowed researchers to examine the role of multiple self-concepts in consumer behavior (e.g. Graeff 1997; Ibrahim and Najjar 2007; Malhotra 1988).

The purpose of this study is to examine the relationship between consumers’ self-concept and their patronized health club under the image congruence hypothesis. First, we intend to explore the relationship between the consumer’s health club image and their actual self concept, proposing that there is a positive correlation consistent with the image congruence hypothesis. Then we plan to explore the relationship between ideal self-concept and health club image, given the conspicuousness of the consumption situation. By exploring both actual and ideal self, we plan to determine which is more strongly correlated with patronized health club image. It should be noted that the research agenda proposed here allows us to explore an integrative model of store image, store patron image, self-congruity, and retail patronage provided by Sirgy, Grewal, and Mangleburg (2000). We focus primarily on the relationships among self-congruity, health club image, and health club patronage. These questions have significant marketing and management implications for health clubs. A thorough review of the seminal research on self and self-concept, as well as more recent explorations of these concepts, provides the foundation for each hypothesis.

HEALTH CLUB INDUSTRY OVERVIEW

In 2006, 29,069 health clubs were operating in the United States. The number of health clubs operating in the U.S. from 1998 to 2006 more than doubled its size, up from around 14,000 health clubs operating in 1998. An industry review conducted by Active Marketing Group (www.activemarketinggroup.com, 2007) reported that revenues generated in 2005 from the top U.S. chains and franchises totaled over \$5.1 billion. At the time, the industry's leaders were Curves, Gold's Gym, Lady of America, Health Fitness Corp., and Bally Total Fitness to name a few. The median age of health club members was 41, with a gender breakdown of 57% male and 43% female. Moreover, the 2007 Health Club Industry Review, again conducted by Active Marketing Group, reported that in 2005 52% of the total health club market was held by California, New York, Texas, Florida, Pennsylvania, Ohio, Illinois, Massachusetts, Michigan, and Alabama. By 2005, 15.5% of Americans owned a health club membership and in 2006, revenues in the health club industry jumped to \$17.6 billion (Mercanti Chronicle 2007).

Today's health conscious consumers have a variety of choices when it comes to committing themselves to a health club. Health clubs in the U.S. cater to specific demographics in order to give consumers the greatest experience possible when they select the best "fitting" gym. These health clubs include, but are not limited to, "express" clubs, gender-specific, community fitness centers, and college recreation centers (Health Club Industry Review 2007). The Mercanti Chronicle (2007) suggests that "positive demographic trends have helped drive the growth of the U.S. health club industry over the last 10-plus years as the awareness of the benefits of healthy living has increased among aging Baby Boomers, their Echo Boom children (a.k.a. Gen-Y) and a health conscious Gen-X generation" (p.1). Today, over 45 million Americans own a health club membership (Cloud 2009). An individual will choose to join a health club for a variety of reasons: the attainment of a healthier lifestyle; improvements/changes to the body habitus; meeting new people; socializing with other individuals who share a common interest in working out, to name a few. Cash and Pruzinsky (1990) offer that an individual's evaluation of his body-image strongly correlates to his evaluation of self. According to Rogers (1951, p.487), "the organism has one basic tendency and striving- to actualize, maintain, and enhance the experiencing organism." In this vein, it is believed that consumers may also patronize a health club because they are attempting to enhance their body-image, and, therefore, striving to enhance their concept of self.

SELF CONCEPT IN CONSUMER BEHAVIOR

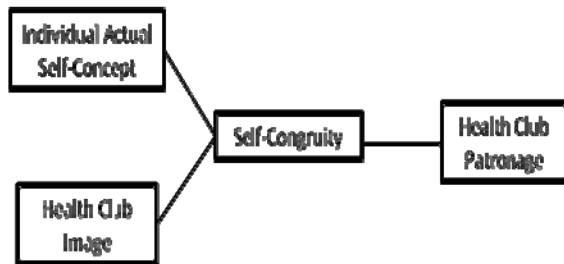
Self-concept has been defined a number of ways. Some of these definitions include self-concept as "the totality of the individual's thoughts and feelings having reference to themselves as subjects as well as objects" (Malhotra 1987, p.7), "a person's perception of his own abilities, limitations, appearance, and characteristics, including his own personality" (Graeff 1996, p.481), and people's "impressions of the type of person they are" (Blackwell, Miniard, Engel 2006, p.306). According to Carl Rogers (Rogers 1951, p.501), the concept of self "... is composed of such elements as the perceptions of one's characteristics and abilities; the percepts and concepts of the self in relation to others and to the environment; the value qualities which are perceived as associated with experiences and objects; and goals and ideals which are perceived as having positive or negative valence." Prior studies in the consumer behavior literature have examined an individual's concept of self in relation to his purchase behavior. The notion that consumers' self-concept serves as a predictor of their purchasing behavior was proposed in the late 1960s by Grubb and Grathwohl (1967). They suggested that an individual will purchase products that have symbolic value possessing self-enhancing capabilities, and, further, that these products are perceived as being similar to the individual's self-concept. Rogers' view of the person was that the individual will continually strive for enhancement of the self. The inclusion of self-concept in consumer behavior has been aided by Rogerian Humanistic Theory, which posits "people act and respond on the basis of their understandings of how things are rather than how things *actually* are," (Schneider, Bugental, and Pierson 2001, p.83). Woods (1960) suggested that there exists a group of consumers who are responsive to the symbolic value or meaning inherent in products, and that these consumers are influenced by their perception of a product's image. Similarly, Baumgartner (2002) recently developed a framework for categorizing eight dimensions of purchase behavior. One of the dimensions identified was symbolic purchase behavior, which he defined as "buying a brand to project a certain image" (Baumgartner 2002, p.289).

The image congruence hypothesis states that an individual will prefer products/brands that are perceived as having an image similar to the self-concept of the individual (Graeff 1996). Birdwell (1968, p.78) attempted to demonstrate that an individual's self-image was related to his/her purchasing behavior, reporting evidence that suggested "an automobile owner's perception of his/her car is essentially congruent with his/her perception of himself/herself." Similarly, Dolich (1969) was focused on the notion that individuals are accepting of brands that maintain images similar

to their self concept and reject brands that maintain images dissimilar to their self concept. Specifically, his proposition was that “real-self image congruence with product brands differs from ideal-self image congruence with product brands” (p.81). Although his study did provide support for the image congruence hypothesis, no significant differences were found between ideal-self image and real-self image in relation to most preferred brands. Landon Jr. (1974), in his study on the link between self-concept and purchase intention, proposed that some consumers match product-image with their actual self-image, while others match product-image with their ideal self-image. Ideal self-image provided a more dominant influence on purchase intentions for the male group with products such as snow skis, electric toothbrushes, and card table and chairs. Generally, most products in this study showed a higher correlation to real self-image rather than ideal self-image.

When an individual purchases membership to a health club, they are purchasing a brand and access to the health club facilities and services. It has been noted that a brand’s image is reflective upon store image (As-sael 2004), and, since the environment of a health club maintains similar attributes of a store (i.e. atmosphere, patrons, products), it is inferred that the brand image of a health club derives from aspects of the health club’s attributes and image. Consumption conveys the endorsement of the brand of a given health club. In this sense, health club members are not only relating their self-image to the health club brand’s image, but also to health club environment itself. Our first proposition will test the applicability of the image congruence hypothesis to the likelihood of consumers patronizing a health club based on its perceived similarity to their actual self-image.

H (1): Based on the image congruence hypothesis, consumers are likely to patronize a health club whose image positively correlates to their actual self-image.



Model A

Model A suggests that when an individual’s actual self-concept is perceived to be congruent to the image of a health club, self-congruity will occur. Based on the preceding discussion, it is then likely that self-

congruity will serve as an indicator of health club patronage.

SELF-CONCEPT & CONSUMPTION SITUATION

Self-concept literature has referred to the self in a multidimensional manner (e.g. Ericksen 1996; Hughes 1976; Malhotra 1988; Sirgy 1982). “Actual self” is the way in which a person sees himself now. “Ideal self” is the way in which a person would like to see himself. “Social self” is the way in which a person believes others see him. Markus & Nurius (1986, p.954) expanded the domain of self-concept through the proposition of “possible selves,” referring to the selves an individual would like, fear, or wish to become. The treatment of the self-concept through multiple dimensions has allowed researchers to expand the role and importance of such self-images in consumer behavior.

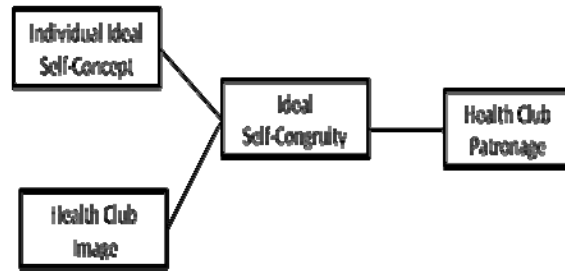
Research on image congruence has sought to examine which concept of self (actual vs. ideal) correlated more strongly to product brands based on product conspicuousness. The results have been inconsistent. Ross (1971) posited that an individual would relate his ideal self-concept to products that were consumed publicly, and conversely, an individual would relate his actual self-concept to products that were consumed privately, however results were not significant. One of the subsequent criticisms of the study was that restricted lists of product brands may have significantly affected the results of the study (Hughes 1976, p.531). Using a partial replication of the Ross (1971) study, Hughes (1976) found that ideal self, rather than actual self, was more congruent to most preferred brand of automobile. Additionally, results indicated that the actual self-image was more closely related to the most preferred product brand of toothpaste. Hughes (1976, p. 532) found mixed support for his second hypothesis that “the individual will express a brand preference for a privately consumed product when the perceived brand image is more congruent with the individual’s actual self image than the individual’s ideal self image.” At times a consumer may wish to express his ideal self-image through a purchase decision in the event that he is uncomfortable with his actual self-image or if his actual self-image is negatively portrayed (Landon 1974). Graeff (1996) notes no significant difference between actual and ideal self-image congruence for privately consumed brands. Interestingly, a larger congruence between brand image and ideal self-image existed for publicly consumed brands, suggesting that “product evaluations might be more strongly related to ideal congruence than actual congruence” (Graeff 1996, p.488).

Ross’ (1971) study received additional criticism when Graeff (1997) asserted that products do not vary

in their conspicuousness; rather, consumption situations are what vary in level of conspicuousness. Consumption situation can be defined by the situation in which the consumer believes he or she will use the product or service (Assael 1984). Accordingly, Schiffman & Kanuk (2004) suggest that in various situations, a consumer's behavior will be directed by the self-image he chooses to portray. One of the features of a situation is the individual's social surroundings (Belk 1975), which includes the characteristics of significant others as well as interpersonal interactions. Graeff (1997) examined the effects of actual and ideal self-image on products/evaluations when the consumption situation was experimentally manipulated. Results suggest that consumers whose self-image was congruent to the brand's image held a more favorable attitude and purchase intention toward the brand. Additionally, results indicated that "within each situation, there were no significant differences between the correlations for actual and ideal congruence" (p.55). Although there were no significant differences found between the effects of actual and ideal self-image, it should be noted that ideal self-image did have slightly more favorable image congruence for subjects in the public consumption situation. Accordingly, Sirgy (1982, p.289) notes that "consumption of a brand may be highly congruent with self-image in one situation and not at all congruent with it in another." Based on Graeff's (1997) notion that consumption situations are what vary in their conspicuousness as opposed to products/brands, results from Landon's (1974) study may have been better explained if the researcher had asked subjects to evaluate their purchase intentions based on the effect of consumption conspicuousness, not product conspicuousness.

It is important to note under what circumstances a health club membership is consumed. For the purpose of this study, it is assumed that the situation in which health club membership is consumed is highly conspicuous.

H (2): Since the consumption situation of health club membership is highly conspicuous, consumers will patronize a health club whose image exhibits a stronger positive correlation to their ideal self-image, rather than their actual self-image.



Model B

Model B posits that when a positive correlation exists between individuals' ideal self-concept and their health club image, ideal self-congruity will occur. When ideal self-congruity occurs, it is likely that a consumer will choose to patronize a given health club. We are suggesting that both actual and ideal self-congruity will influence the health club patronage decision; however, it is proposed that ideal self-congruity will be the stronger indicator of health club patronage.

This research makes contribution to the consumer behavior literature in a number of ways. First, we explore the early theories and research on self-concept in consumer behavior as they relate to image congruence, actual self, and health club members. Secondly, we extend the results of more recent self-congruity studies to consumer behavior in the health club industry. No prior research exists examining the image congruence relationship between a consumer's self-concept and their patronized health club. For many products, marketers have very little control over the consumption environment. However, in the context of a health club, marketers and managers can exert a large degree of control over the situation in which their services are consumed.

METHODOLOGY

A two part study was designed consisting of in-store (health club) data collection and online survey distribution. Four different health clubs located in upstate New York permitted access to their members allowing for the distribution of paper and pencil surveys on site. A similar version of the survey was created in an electronic format using the online survey tool Qualtrics. Based on previous research, a semantic differential scale was used to assess both actual and ideal self concept (e.g. Birdwell 1968; Dolich 1969; Erickson 1996; Hughes 1976; Malhotra 1988; Ross 1971; Sirgy 1985). Subjects were instructed to rate their actual and ideal self-concept (image) on 7-point semantic differential scales containing 20 bipolar adjectives. The dimensions used in the current study were: excitable-calm; personal-impersonal; masculine-feminine; insecure-confident; humorous-serious; positive-negative;

follower-leader; dominating-submissive; popular-unpopular; extravagant-economical; mature-immature; unsuccessful-successful; sporty-businesslike; weak-strong; interesting-dull; happy-sad; friendly-unfriendly; bold-shy; young-old; modest-vain. In order to minimize the social desirability response bias, ideal self was measured before actual self, consistent with the recommendations of Ross (1971).

The semantic differential has also been used to measure product/brand/store image (Malhotra 1988; Stern, Bush & Hair 1977). This technique involves applying the same set of items which are used for describing a participant's self-image to describe product/brand/store image. Based on positive results from past research (Graeff 1996; Hughes 1976; Stern, Bush & Hair 1977), the scale used to measure actual and ideal self-image was also used for the evaluation of health club image. Brands, like consumers, can be perceived as having personalities (Graeff 1997). For instance, some consumers may view Apple as being young, hip, and trendy, while IBM is perceived as older and more conservative (Aaker 1997). Other brands such as Mercedes Benz and Acura may be portrayed as rich, elegant, and sophisticated, while Honda and Toyota convey safety, intelligence, and dependability. Therefore, health club image was measured with the same 20 image dimensions used to measure actual and ideal self-concept (image), however, the items on this scale were set in a randomized order to avoid response bias (Hughes 1976). Following the questions dealing with ideal self, actual self and health club image, participants were presented with a series of questions describing the typical member of their health club (health club patron image).

A pretest of the questionnaire (n=59) resulted in minor changes to the survey design and the structure of some questions. Main study data collection is in progress and will terminate November 1. To date, n=353.

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THEORETICAL VS. QUALITATIVE MODELS: A QUALITATIVE INVESTIGATION OF COMPULSIVE BUYING

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ABSTRACT

Compulsive buying impacts an estimated 18 million Americans (CNN 10/8/09), and the outcomes of this abnormal consumer behavior for individuals, families and business are all negative. A better understanding of this abnormal consumer behavior is called for in an era of socially responsible marketing. This study represents an initial investigation of compulsive buying with a data sample collected from Debtors Anonymous meetings. Employing a qualitative research tradition, data models derived from the sample are developed and juxtaposed with a previously developed literature based theoretical model. A comparison and discussion of the qualitative and quantitative models of compulsive buying is performed.

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A FRAMEWORK FOR INTEGRATED MARKETING COMMUNICATION IN HIGHER EDUCATION

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ABSTRACT

This research analyzed the impact of integrated marketing communication on leading public colleges and universities in the U.S. The Four Stages of IMC -- tactical coordination of marketing communication, market research, application of information technology, and strategic integration -- served as the research framework.

INTRODUCTION

In response to a hypercompetitive market, colleges and universities are seeking innovative methods to differentiate and effectively “brand” their institutions. Although many institutions of higher education (IHEs) teach Integrated Marketing Communication (IMC), the literature suggests far fewer actually practice what they preach with respect to IMC. And yet, IMC has the potential to deliver several advantages to IHEs such as higher quality of communications, cost efficiencies and enhanced brand equity. Some might argue that successful implementation of IMC is a competitive advantage unto itself. As Schultz and Schultz (2004) noted, IMC is “a dynamic process that will prove critical in helping organizations compete in a radically changing market environment” (p. 17).

RESEARCH DEFINITIONS

Researchers have been inconsistent as to whether IMC represents “integrated marketing communication” or “integrated marketing communications.” While a simple letter “s” may seem to be a minor difference, there are major implied differences between these two terms.

The term “communication” is defined as “the act of communicating; transmission” (Random House Dictionary 2009) while the term “communications” is defined as “the technology employed in transmitting messages” (Random House Dictionary 2009). Thus, *communication* could be viewed as strategic while *communications* could be viewed as tactical. Since the primary purpose of IMC is considered to be strategic in nature, the IMC acronym for this study will represent “integrated marketing communication.”

For purposes of this research, the assumed definition of integrated marketing communication is, “a strategic business process used to plan, develop, execute, and evaluate coordinated, measurable, persua-

sive brand communication programs over time with consumers, prospects, and other targeted, relevant external and internal audiences” (Schultz & Schultz 2004, p. 20).

LITERATURE REVIEW

This literature review consists of two main sections: (1) an historical overview of IMC and (2) the role of marketing in institutions of higher education. The first section of this literature review includes background on the development of the Four Stages of IMC (the framework that guided the research hypotheses). The second section of this literature review includes an analysis of the competitive nature of IHEs and the role of marketing in developing a distinctive institutional brand.

Historical Overview of IMC

In 1991, the concept of IMC garnered national attention when seminal research in this field was conducted by faculty at the Medill School of Journalism at Northwestern University (Schultz & Kitchen 1997). The concept was relatively quick to be adopted by advertising and public relations agencies, as it validated their worth to corporate America. The theory of IMC became grounded in the belief of “one basic communication strategy for each major target audience. This one strategy is then used as the basis for executing each communications function (advertising, PR, sales promotion, etc.) throughout a variety of communications channels” (Duncan & Everett 1993, p. 31).

At the time, Tortorici (1991) declared that IMC was one of the most effective ways an organization can maximize its return on investment. However, significant debate ensued as to whether or not IMC was a management fad or theoretical concept.

One of the first major studies in IMC was undertaken in 1997 by the American Productivity Quality Center (APQC). Their research offered a unique perspective from the organizations that were actually employing IMC rather than the advertising agencies that were focused on deploying such efforts. The study analyzed 22 national organizations that practiced varying degrees of IMC such as Dow Chemical, Ernst & Young, FedEx, Fidelity Investments and Prudential Insurance. The research resulted in several key findings, which were analyzed using a framework described as the Four Stages of IMC (McGoon 1998). This framework examined the stages of tactical coordination of marketing communication, market research, application of information technology, and strategic integration.

Higher Education Marketing

In the past 40 years, the number of U.S. colleges and universities has grown from 2,300 to well over 4,000, including branch campuses (Rhodes 2006). Not only have IHEs experienced intense competition from traditional, non-profit institutions but there has also been new competition from for-profit institutions. And several for-profit institutions, such as the University of Phoenix, have adopted aggressive marketing strategies. The University of Phoenix's parent company, the Apollo Group, invested more than \$142 million for Internet marketing in 2006, an amount that does not take into account the additional millions it paid for search engine advertising or funds spent by companies using the Internet to generate leads on its behalf. Such spending has made the Apollo Group the seventh largest online advertiser across all industries, spending more than Dell and General Motors (Blumenstyk 2006).

For comparison purposes, a recent survey from Lipman Hearne (2007) revealed that only 10% of public IHEs spend \$1 million or more on their marketing and communications budget (compared to 16% for private IHEs). In addition, 57% of public IHEs spend less than .5 percent of their operating budget on marketing and communications (compared to 21% for private IHEs). Perhaps most revealing was that 61% of public IHEs spent under \$50 per student for marketing and communications expenditures (compared to 11% for private IHEs).

The lack of a marketing communication focus in colleges and universities tends to be the result of how these institutions have evolved over time. As institutions have grown their enrollment and program offerings, they have also become increasingly fragmented internally. Typically this has resulted in compartmentalized functions and departments

operating without any knowledge of the other parts of the institution. Individuals within IHEs tend to view themselves as part of a distinct department competing for limited organizational resources rather than as part of a comprehensive system working toward common objectives.

Frank H. T. Rhodes, former President of Cornell University, explains that "Structural reform remains elusive in the academic culture. The structural imbalance between goals, tasks, and resources seems to have shown little improvement since 1966. The rigidity of departmental structures continues to limit the ability of colleges to adapt and respond to new circumstances. Any change tends to be laboriously incremental, with a significant time lag between the decision to make it and the ability of the institution to carry it out" (Rhodes 2006, p. A18). Such an impediment must be overcome if the development of a true brand orientation, critical to IMC, is to occur.

Relationship between IMC and Brand Equity

Madhavaram, Badrinarayanan and McDonald (2005) note that effective marketing communication "enables the formation of brand awareness and a positive brand image. These then form the brand knowledge structures, which, in turn, trigger the differentiated responses that constitute brand equity" (p. 70). These researchers argue that IMC strategy is essential to the organization's strategic brand development and that it "strengthens the interface between the firm's brand identity strategy and its customer-based brand equity, that is, brand awareness and brand image" (p. 70). Specifically, they propose "a conceptual model of brand equity in which the aspirational brand identity guides IMC in an effort to develop and maintain customer-based brand equity" (p. 70).

The ability to measure the strength of the ongoing brand relationship has been enhanced through advanced technologies that enable interactive IMC. By understanding the value and nature of customer relationships, it becomes "practical for the marketer to categorize customers based on their value to the brand and the value of the brand to the customer" (Schultz & Schultz 2004, p. 134). "Where moderate relationships exist, they might be strengthened. Where they are strong, they can be reinforced. The marketer can become proactive in developing lasting relationships with desirable customers and prospects by understanding the reciprocity that must exist between the two" (p. 134).

RESEARCH METHODOLOGY

To examine the impact of IMC in higher education, a quantitative survey was conducted with 42

leading public colleges and universities (as ranked by *U.S. News & World Report 2005*). The Four Stages of IMC framework -- tactical coordination of marketing communication, market research, application of information technology, and strategic integration -- served as the foundation for the research hypotheses.

The indicators of each of the Four Stages of IMC were adapted to reflect the higher education environment as follows. The first stage (tactical coordinator of marketing communication) focused on the coordination of interpersonal and cross-functional communication within the organization and with external partners. The second stage (market research) examined whether institutions utilized primary and secondary market research sources as well as actual behavioral customer data. The third stage (application of information technology) considered whether institutions leveraged technologies to facilitate internal and external communications and adopted technologies for market research and data management purposes. The fourth stage (strategic integration) analyzed the support of institutional leadership to include whether marketing communication staff were empowered by senior leadership to lead the integration of external communication with internal communication and whether the effectiveness of marketing communication was measured and findings incorporated into strategic planning.

Based on these Four Stages of IMC framework, the following hypotheses were developed:

H1: Institutions with a dedicated senior marketing and communications official are more likely to be at Stage 1 (tactical coordination of marketing communication) than those which do not.

H2: Institutions with a commitment to market research (Stage 2) will also demonstrate a high degree of tactical coordination of marketing communication (Stage 1).

H3: Institutions with a commitment to applied information technology (Stage 3) will also demonstrate a high degree of market research (Stage 2).

H4: Institutions with a commitment to strategic integration of IMC (Stage 4) will also demonstrate a high degree of applied information technology (Stage 3).

Survey Questionnaire Methods

A purposive target sample for the structured questionnaire consisted of the 82 top ranked U.S. public institutions of higher education as determined across all categories of the *U.S. News & World Report America's Best Colleges* (2005) rankings. The survey questionnaire consisted primarily of Likert-type questions structured around the Four Stages of IMC framework. The stated questions were closed-ended and used ordinal-level items. The number of

questions for each of the topic areas ranged from four to seven questions per topic.

Since the survey was based on a 5-point response scale (with an additional option for "Don't Know"), each response was weighted as follows: "Strongly Disagree" = 1 point; "Disagree" = 2 points; "Neutral" = 3 points; "Agree" = 4 points; "Strongly Agree" = 5 points. Scores for the questions within each stage were totaled and then an overall average stage score was calculated. If a respondent answered "Don't Know" for a particular question that question was removed from the overall stage calculation. Thus, for an institution to be considered as effectively demonstrating the attributes of a particular stage in the Four Stages of IMC framework, the institution would need to receive an average score above 3.0 across the various questions which comprise that specific stage.

The survey was targeted to the senior marketing communication official at the sample institutions. However, it was often difficult to determine who within the organization would be primarily responsible for marketing communication. A few institutions did clearly identify the senior marketing communication official, although many institutions did not seem to have such a role. In these cases, the selected individual tended to be the most senior contact in the University Advancement or University Relations department.

The implementation of the survey involved multiple communications and response mechanisms to include paper, email and fax. Since online and email surveys have been found to typically produce convergent results (Deutskens, de Ruyter, & Wetzels 2006), it was determined a mixed-mode approach would be appropriate for this research study.

The survey collection period extended from September 24 – October 24, 2006. At the end of the survey collection period, 42 out of a possible 82 complete surveys had been received for a response rate of 51.2%. 23 responses arrived via mail, 18 responses arrived via the Internet and one response arrived via fax. The collected data represented a cross-section of the survey population to include 8 national universities, 25 regional universities and 9 liberal arts and regional comprehensive colleges. The geographic dispersion of the respondents included 9 institutions in the North, 12 institutions in the South, 10 institutions in the Mid-West and 11 institutions in the West.

Survey Questionnaire Findings

The results of the questionnaire were tabulated using Microsoft Excel and SPSS to analyze the data. Mean average and *t*-tests were the main forms of evaluation for the collected data. Descriptive statistics including the mean, standard deviation, kurtosis and skewedness were also considered.

The first hypothesis stated that “Institutions with a dedicated senior marketing and communications official are more likely to be at Stage 1 than those which do not.” The findings reveal that 100% of respondents had a dedicated senior marketing and communications official. Therefore, there are no IHEs without a dedicated senior marketing communications official to correlate with achieving IMC. Thus, H1 is not clearly supported. However, even though 100% of respondents reported to either a President or Vice-President (or equivalent titles), there is significant difference in the Stage 1 score between respondents who report to the President ($\bar{x} = 3.595$) versus Vice-President ($\bar{x} = 2.937$; $t [42] = 2.118, p < .05$). If the hypothesis was modified to “Institutions who have a dedicated senior marketing and communications official that reports directly to the President are more likely to be at Stage 1 than those institutions who do not have a dedicated senior marketing and communications official that reports to a Vice-President” then a sample would exist to examine the null hypothesis.

The second hypothesis stated that “Institutions with a commitment to market research (Stage 2) will also demonstrate a high degree of tactical coordination of marketing communication (Stage 1).” The null hypothesis that institutions with a commitment to market research do not demonstrate a high degree of tactical coordination of marketing communication should then be not supported. Since there is significant difference in Stage 2 scores between institutions that achieved Stage 1 and institutions that did not ($t [42] = -3.215, p < .05$) the null hypothesis is not supported. Thus, there is a significant difference in Stage 2 scores between institutions that achieved Stage 1 (mean Stage 2 score = $\bar{x} = 3.539$; i.e., achieved Stage 2) and institutions that did not achieve Stage 1 (mean Stage 2 score = $\bar{x} = 2.754$; i.e., did not achieve Stage 2). Therefore, because institutions who achieved Stage 2 also demonstrated achievement of Stage 1, H2 is supported.

The third hypothesis stated that “Institutions with a commitment to applied information technology (Stage 3) will also demonstrate a high degree of market research (Stage 2).” The null hypothesis that institutions with a commitment to applied information technology (Stage 3) will demonstrate a low degree of market research, must be not supported. There is significant difference in Stage 3 scores between institutions that achieved Stage 2 and institutions that did not ($t [42] = -4.850, p < .05$) disproving the null hypothesis. Thus, there is a significant difference in Stage 3 scores between institutions that achieved Stage 2 (mean Stage 3 score = $\bar{x} = 3.952$; i.e., achieved Stage 3) and institutions that did not achieve Stage 2 (mean Stage 3 score = $\bar{x} = 2.986$; i.e., did not achieve Stage

3). Therefore, because institutions who achieved Stage 3 also demonstrated achievement of Stage 2, H3 is supported.

The fourth hypothesis stated that “Institutions with a commitment to strategic integration of IMC (Stage 4) will also demonstrate a high degree of applied information technology (Stage 3).” To support this, the null hypothesis that institutions with a commitment to strategic integration of IMC (Stage 4) will demonstrate a low degree of applied information technology (Stage 3), must be not supported. There is no significant difference in Stage 4 scores between institutions that achieved Stage 3 and institutions that did not ($t [42] = -1.804, p < .05$). The null hypothesis is supported and H4 is not supported. Thus, there is not a significant difference in Stage 4 scores between institutions that achieved Stage 3 (mean Stage 4 score = $\bar{x} = 3.472$; i.e., achieved Stage 4) and institutions that did not achieve Stage 3 (mean Stage 4 score = $\bar{x} = 2.955$; i.e., did not achieve Stage 4). Therefore, because institutions who achieved Stage 4 did not necessarily demonstrate achievement of Stage 3, H4 is not supported.

Categorization of Survey Respondents’ IMC Level

In addition to the research hypotheses not being fully supported, analysis revealed 50% of the respondents who scored an average of 3.0 or below on an earlier stage actually scored above 3.0 at a later stage.

There could be several reasons why colleges and universities did not proceed through the Four Stages of IMC framework in a linear manner. Nearly a decade has passed since the development of the framework and information technology has become a pervasive force in the world since that time. Now, it may be more likely for IHEs to adopt information technology at an earlier point than Stage 3. The potential also exists that it may actually be simpler to adopt elements of certain stages. For example, an IHE may find it simpler to utilize secondary market research (a Stage 2 element) and use email for internal communication (a Stage 3 element) than it is to optimize coordination of policies, practices and procedures for the branding of all marketing initiatives (a Stage 1 element) across the institution. Although previous research suggests that a linear progression may be a natural and perhaps even ideal framework, a non-linear progression may be a more practical framework as certain stages may take longer to achieve full integration.

It may also be the case that the often slow but methodical approach inherent in academia may actually lead IHEs to assume a more strategic (Stage 4) rather than tactical (Stage 1) focus in their IMC efforts. The intense commercial environment may force

many organizations to react with a quick tactical approach rather than a thoughtful strategic approach to marketing communication. Thus, the Four Stages of IMC framework relative to IHEs may actually be Stage 4 (strategic integration) → Stage 2 (market research) → Stage 3 (application of information technology in support of IMC) → Stage 1 (coordination of marketing communication).

Even if the initial framework is not necessarily supported in the higher education environment, each of the four stages in the framework represents a critical aspect in the development of an effective IMC strategy. Therefore, the survey findings provide valuable insight into the extent that respondents have adopted elements related to the various stages of IMC; however, it is obvious from the differences in scores that certain IHEs have achieved a higher degree of integration than others.

Since 50% of the respondents did not proceed in a linear manner through the framework, it was necessary to develop a modified framework for analyzing the impact of IMC on these IHEs. Thus, respondents were designated an overall IMC category based on the number of stages for which they attained an average score of above 3.0. An IHE would be considered in the Basic Category if the institution scored an average of above 3.0 in zero or one stage; the Intermediate Category would represent those IHEs that scored an average of above 3.0 in two or three stages; and, the Advanced Category would represent those IHEs that scored an average of above 3.0 in all four stages. The modified analysis revealed 13 institutions in the Basic Category of IMC, 14 institutions in the Intermediate Category of IMC, and 15 institutions in the Advanced Category of IMC. The following analysis utilizes this IMC categorization structure.

Brand Equity as a Result of Advanced IMC

The survey questionnaire included specific questions focused on market factors such as selectivity and brand recognition. Note that these questions were not incorporated into the IMC category calculations, but were included in the survey as factors that could be correlated with IMC.

One of the survey questions asked whether the institution was achieving greater brand recognition than the competition across key target markets. A *t*-test (two-sample assuming unequal variances) was conducted on the data which revealed a significant difference in scores between institutions that achieved the Advanced Category of IMC and those institutions in the Basic Category of IMC ($t [28] = -3.613, p < .05$). Thus, the Advanced Category respondents more strongly believed than the Basic Category respondents that their institution was achieving greater brand recognition across key target markets. The

mean score of institutions that achieved the Advanced Category of IMC was $\bar{x} = 4.733$; the mean score of institutions that achieved the Basic Category of IMC was $\bar{x} = 3.692$.

Since there is a significant difference between the perceived brand recognition of Basic and Advanced IMC institutions, what steps might a Basic IMC institution take to strengthen their IMC efforts? First, institutions need to be certain that the concept of branding is understood across the organization. To facilitate brand-oriented communication, this research revealed that marketing and communication efforts do not necessarily need to be centralized to be effective. However, marketing actions do need to be coordinated in a formal manner across the organization to strengthen and leverage institutional brand equity. Such formal mechanisms could include cross-functional communication committees as well as marketing audits or annual reports.

IHEs need to recognize that brand equity is not simply a matter of logos and colors, but rather as Schultz and Schultz (2004) explain, brand equity encompasses “the brand’s presence, identity and image, perceived quality, and commitment among constituents” (p. 309). Colleges and universities need to recognize the full value of branding and how each marketing communication action potentially increases or decreases institutional brand equity.

CONCLUSION

As one of the first studies to research the impact of IMC on U.S. public colleges and universities, the findings were more encouraging than this author expected. Although a certain resistance to the concepts of marketing and branding continues to exist in higher education, such conflict is no longer as prevalent as it had been a decade ago. However, marketing and communications are still not consistently integrated in IHEs; one only needs to look as far as the 36 (out of 42) different titles given to the senior official responsible for marketing and communications at the responding institutions. A possible limitation to this study is that these findings have been self-reported by the marketing and communications official responsible for such efforts. Future research could be conducted to seek feedback from both internal and external stakeholders relative to the impact and effectiveness of IMC initiatives.

Additional research could also be conducted on the validity of the Four Stages of IMC framework. While the framework was initially presented in 1997 as a linear process, this research would suggest that many colleges and universities proceed through the various stages at differing paces and rates of success. A proper sequence for the framework may actually

be Stage 4 (strategic integration) → Stage 2 (market research) → Stage 3 (application of information technology in support of IMC) → Stage 1 (coordination of marketing communication). Further analysis is needed to establish the most effective implementation pattern of IMC in IHEs. This analysis should also be applied to private as well as public IHEs.

Finally, future studies should examine how IMC could play a role in understanding and strengthening a student's lifetime value to their college or university. It is still a rather common misconception that marketing should be primarily focused on the function of admissions. Such a mindset fails to consider that students will often have much greater value to the institution as alumni. Thus, it is important to establish strong relationships with students before they even arrive at the college, continue to build upon those relationships while they are attending college, and ideally extend the value of those relationships across a lifetime. If IHEs do not consider the entire lifetime value chain of a student and connect the links in the chain with concepts such as IMC, they will undoubtedly lose considerable opportunities to advance their institutions.

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ENTREPRENEURIAL SPORTS BRANDING PROMISES: MAJOR AND MID-MAJOR SPORTS CONFERENCES' COMMUNICATION OPPORTUNITIES

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Abstract

This study explored connections among innovative communication methods, internal branding, and intercollegiate athletic conferences' marketing strategies. Using Grant McCracken's (1988) long interview approach, possible benefits to intercollegiate athletic conferences from technologically-enhanced branding efforts were explored. These in-depth interviews provided rich, informative data from 30 student-athletes at two universities.

INTRODUCTION

Intercollegiate sports conferences serve student-athletes by valuing academic integrity and supporting athletic fairness, while also promoting student-athlete well-being and a sense of community. Innovative communication strategies now offer conferences' administrators savvy approaches to establish their brand messages in players' minds. While conference television networks with streaming video such as Big Ten (BIGTEN 2009) reinforce college fans' brand identification, digital approaches including Tweets and text messages could deliver the conference promise, solidifying the internal brand better for student-athletes more effectively. This study investigates whether an intercollegiate athletic conference could benefit from innovative communication methods as part of internal branding effort.

Intercollegiate athletic conferences could benefit from entrepreneurial branding approaches to 'live the conference brand promise' and realize the opportunity to strengthen their conferences' brands to student-athletes. The brand promise in this situation represents the message a conference wants to convey to others about their organization. As an intangible service offering, athletic conferences must promise and provide prospective student-athletes and fans with the opportunity to participate in outstanding competition. Since those student-athletes are from Generation Y, the best media choice to convey this

brand promise may be digital communications (Neeley and Judson 2009). Internal branding achieved through brand community and relationship branding approaches would let student-athletes understand each conference's message from a unique perspective.

This study expands research to show connections among innovative communication methods, internal branding, and intercollegiate athletic conferences' marketing strategies. We used a qualitative methodology, McCracken's (1988) long interview approach, to explore possible benefits to intercollegiate athletic conferences from technologically-enhanced branding efforts. Implications for two intercollegiate athletic conferences' internal branding, brand communities, and relationship marketing follow a discussion of our findings.

LITERATURE REVIEW

Entrepreneurship and Communication Technology

Entrepreneurs' innovations have sprung from technological advances enlivening enterprises and offering better products and services (Schumpeter 1947). Innovative marketing techniques, especially branding strategy, have provided valuable ways to support sustainable, competitive advantages (Alvarez and Busenitz 2001) in universities' athletic programs (Neeley and Judson 2009). Since innovative media such as, Web 2.0 (Cooke and Buckley 2008), have made personalized interactions easy, appealing, and inexpensive, innovative marketers have launched

unique, socially-complex branding strategies for consumers. Novel, interactive approaches that capture entrepreneurs' innovation, risk taking, and proactive tendencies (Covin and Slevin 1991) have been featured in social networking sites such as Facebook, wireless methods such as texting, and have been highly accepted by people under 30 (Junco and Mastrodicasa 2007).

Technology-assisted, entrepreneurial branding initiatives have made or reinforced brand promise frequently and inter-actively. Rapid technological changes have altered expectations for communications significantly, especially among younger persons. Different expectations have been reflected in popular social networking sites, blogs, text messaging, and video postings on YouTube (Cooke and Buckley 2008).

Current student-athletes are members of Generation Y, and as such have used digital technology daily (Kotler and Keller 2006). Over 90 percent own personal computers, and three quarters use Instant Messaging (IM) and social networking sites (Junco and Mastrodicasa 2007). Their preferred communication media for personal and professional relationships are important to intercollegiate athletics conferences' internal branding. This constituency must be attracted, engaged, and partnered (Johnson and Selnes 2004) for effective integrated branding efforts, especially since these young people, the student-athletes, are prime beneficiaries of intercollegiate athletics conferences' services.

Internal Branding

Intercollegiate branding has traditionally focused on external stakeholders; however, these efforts have overlooked opportunities among internal stakeholders such as employees, and the student-athlete. Noteworthy firms such as Sears, BP, IBM, Nike, and Miller Brewing devoted significant branding efforts toward reaching their employees (Mitchell 2002). These firms have found that enabling their workforce to "live the brand" and "deliver the brand promise" better has significantly accentuated their branding efforts to external constituents.

Internal stakeholders promoting the brand to outside constituents have needed a solid understanding of the brand and "live the brand" themselves. College coaches, for example, have regularly conveyed a university's brand to stakeholders, but many have not been involved in their universities' academic culture (Krebs 2004). Without an effective internal branding campaign, uninformed coaches may have confounded their university's brand through mis-communication to the

many constituents they contacted. With current technological advances, coaches could be kept abreast of university and conference accomplishments to portray conference brands accurately to their target audiences, especially student-athletes. To provide greater satisfaction than competitors, an organization must communicate with customers to understand their needs and wants more deeply.

Conference Branding to Student-athletes

Service organizations' marketers have had the challenge to develop brands for intangible, complex services in cost-effective strategies (Schultz 2002). Intercollegiate athletics' conferences could use socially-oriented methods to brand their services in order to develop strong relationships with their constituents. Their internal branding, brand community, and relationship marketing building could tailor interactive media combinations to technological preferences, with special attention to the student-athletes (Neeley and Judson 2009). For these conferences' branding initiatives, internal branding, brand community, and relationship marketing can be enhanced through digital communications such as Tweets and text messaging (Johnson and Selnes 2004). Intercollegiate athletic conferences could build their brands with stakeholders, but special attention could be extended to athletes focusing on teams' bowl invitations and wins, and student-athletes drafted by professional teams or Academic All American nominees. These messages could foster pride of accomplishment among the student-athletes for their conferences, and help to align expectations. The conference could engage student-athletes and facilitate internal branding through uniquely supportive experiences that were adapted to meet the student athletes' need and expectations. Qualitative research methods were used to explore opportunities for athletic conferences to develop the internal brand with the co-producers, student-athletes.

METHODOLOGY

We used qualitative methods to investigate internal branding opportunities for intercollegiate athletic conferences at large, public, Midwestern universities with Division I athletic programs. The project focused on the expressed thoughts and beliefs of student-athletes as they reflected on their evolving relationship with their respective university and athletic conference. Grant McCracken's (1988) long interview approach took the researcher into the minds

and lives of the respondents. Glaser and Strauss's (1967) grounded theory approach resulted in evolving theory through data collection and analysis (Strauss and Corbin 1994).

The long interview approach facilitated collecting rich, in-depth data from privacy-centered individuals living highly regimented lives by encouraging information sharing while respecting student-athletes' busy lifestyles. Consequently, data were rich and manageable. McCracken's approach requires the researcher to refrain from active listening as this violated the law of non-direction (1988). When possible, researchers used triangulation to monitor the data quality by referring to additional sources within the universities to confirm statements made by respondents. Thirty long interviews, each lasting approximately one hour, were audio-recorded and later transcribed. The researcher's thoughts and reactions were recorded in a journal prior to and immediately following each interview.

After randomly contacting student-athletes from the sample of 246 student-athletes at both universities, 30 respondents agreed to provide us with in-depth interviews resulting in rich, informative data from 18 male and 12 female persons; 22 white, 7 African-American, and one Latino student-athletes. Nineteen student-athletes were from a major athletic conference, Big Ten, and 11 were from the mid-major athletic conference, Mid-American. The sports represented in the long interview process follow: wrestling, softball, women's soccer, football, men's gymnastics, baseball, women's swimming, women's volleyball, men's basketball, women's basketball, women's golf, men's cross country and track.

RESULTS

The student-athletes seemed eager to share their insights. Some respondents indicated that they had been heavily recruited during the college selection process, but few individuals from the university or conference had asked them about their experiences after arriving. For this reason, the qualitative data provided valuable perspectives on the evolving relationships they had with the universities and conferences. The qualitative data were themed, coded, and analyzed using Atlas.ti 6.0 software. While interviews were primarily unstructured, discussion topics included student-athletes' satisfaction and general well being, and their perceptions of the athletic conference. Textual data were examined to determine if (1) the athletic conference played an important role in the student athlete's college decision and (2) opportunities existed to enhance the student-athlete's relationship with the athletic conference.

Big Ten Conference

Data from major conference student-athletes showed high initial expectations and great importance placed on the conference during the college selection process. Ten long interview respondents described their conference in very positive terms. Shay, a softball player, described it as "amazing", and, Leon, a football player, elaborated:

I'm also getting a chance to be a Division I football player in the Big Ten. And . . . that's a great thing to do.

Wayne, a football player from California, related how his conference awareness developed and made him proud of receiving a scholarship to play in this conference:

. . . I really wanted to play in the Big Ten Conference . . . Growing up, I'd always watch Penn State, Michigan, and Ohio State . . . I wanted to be a part of that . . . the traditions . . . the excellence that they show in the field. And also as far as the school goes, because I had a lot of looks . . . but I still had my heart set on the Big Ten Conference. . . And I was the first athlete out of (his high school) to get a Big Ten Conference scholarship . . . to come to a Big Ten Conference school.

The recent conference championship earned by the football team was meaningful to J.D.:

It's . . . something to be proud of . . . tell my kids one day . . . Playing on a Big Ten Conference Championship team. And it will always be nice to show them my really nice ring, and show . . . my kids the ring. . . that'll always be . . . rewarding.

Kristi, a former swimmer, expressed her experience with the team's conference as:

Well, Big Ten is just a great conference. . . I swam for a Big Ten Conference school. . . that's just great. . . to make that is just awesome. . . there's great swimmers and good competition.

The opportunity to compete in the Big Ten Conference brought meaning and value to Tom, a former cross country member whose team recently finished last in the conference:

It's a Big Ten Conference team, even though we were last, it's still a Big Ten Conference team.

Kristi and Tom identified the continued importance of having participated in an outstanding conference, even though they subsequently decided to quit their teams. As their relationships with the intercollegiate community continued to evolve, the fact that they had competed in an elite conference was meaningful, and more might have been done to increase their awareness of the conference and prevent their departure from the athletic program.

Mid-American Conference

Contrasting with interviews conducted with the Big Ten Conference's student-athletes, data collected from Mid-American Conference (MAC) student-athletes reflected lower initial expectations and less importance placed on the conference during the college selection process. When asked if the MAC conference played a factor in his college choice, Andrew, a wrestler, replied:

No. I didn't really care what conference...It's getting a lot better than what it was before, in all sports.

Peter, a member of the men's tennis team, shared that he did not have strong expectations for the conference before he enrolled as a student-athlete:

I didn't even know what conference we were in . . . I just remember I wanted to be in the ACC or the Big Ten or something like that, and then I wind up here. But . . . it's worked out, so I'm happy.

Most MAC respondents indicated that they were pleasantly surprised with the quality of the MAC conference after participating. For example, Steve, a baseball player, stated:

Steve: And I didn't know anything about the MAC, really, besides, oh I really couldn't have told you too many teams in the conference when I first signed here. But it's ended up being a pretty good fit.

Interviewer: Yeah. So what do you think about the conference now?

Steve: I think it's . . . a lot better than I ever thought. And it's getting better, too, in all sports.

Lillian, a women's soccer player, indicated that the school's reputation played a much more

important role in her decision than the reputation of the conference. Both Patrice, a women's volleyball player, and Bree, a women's soccer player, indicated that they knew little about the conference before enrolling at the school. Patrice appeared to have a more positive attitude toward the conference after playing:

Interviewer: And what do you think about it (the MAC conference) now?

Patrice: It's good. I think it's getting better. We're moving up.

IMPLICATIONS

The current study's primary objective was to explore opportunities for conferences to build their brands effectively with innovative communications approaches. These may provide additional opportunities choices for internal branding and relationship building with student-athletes, co-producers of and prime beneficiaries of the intercollegiate athletics' services for two reasons. Web 2.0 media has the potential to provide great personal and professional support because of personalized interactivity and constant availability. Major and Mid-major conferences could enhance their student-athletes' satisfaction levels to improve retention, and heighten their awareness to improve recruiting, by communicating successes within the conference to the student-athletes.

Student-athletes at the mid-major conference appeared to experience higher levels of satisfaction compared to student-athletes at the major school in the Big Ten conference. This difference in conference membership satisfaction was likely because the mid-major student-athletes have the support of having friends and families nearby. In contrast, a theme among major conference student-athletes was lack of emotional support when facing obstacles such as injuries, because many of their friends and families were out of state. Satisfaction levels could also stem from major conference student-athletes with high, even inflated, expectations of the conference brand before enrolling. This contrasted with mid-major student-athletes, who knew little about the conference and were pleasantly surprised by competitive quality. Big Ten participation seemed to exert more intense pressure to perform and draw greater scrutiny from the media. With this in mind, opportunities exist for the **mid-major** athletic conference programs to enhance their brand by *establishing the brand promise* and for **major** athletic conference programs to enhance theirs by *reinforcing the brand promise*.

To establish a brand promise and reach a level of conference brand awareness with student-athletes, mid-major conferences can cultivate brand community with popular electronic media for excellent word-of-mouth advocacy for awareness among future student-athletes. These chances come only once in a brand's lifecycle, so extreme caution must be exercised. Positioning the conference brand against other mid-major or major conferences as the "we try harder" conference brand with progressive personalized technology could give competitive advantages. Once salience is established, the steps toward brand resonance can be taken.

In major conferences, brand salience may already exist, and reinforcing resonance is a plausible branding opportunity. Again, Web 2.0 media offer conferences' personnel methods to send student-athletes branding messages in formats that generation prefers. While major conferences may already have an established brand image, ensuring this is communicated to student-athletes accurately, clearly, and embedded in their minds should not be overlooked.

Intercollegiate athletic conferences have already been promoting their brand *externally* by requiring their logos to appear on game uniforms. We suggest that conferences seek school cooperation with *internal* branding campaigns through Tweets or text messages. Promoting the conference brand can be an advantageous recruiting and retention tool for schools as evidenced in our Big Ten student-athlete interviews. Conference internal branding efforts could highlight accomplishments to tech-savvy athletic administrators, coaches, and student-athletes via Facebook, Twitter, text messaging, or blogs. These messages could better inform university constituents about outstanding merits and enable internal stakeholders to 'live the brand' while attracting and retaining outstanding student-athletes – ultimately, the best fans and advocates.

Playing in outstanding conferences may be a powerful reason for student-athletes to remain at their chosen schools when encountering difficulties. Retention has been problematic for many athletic programs as student-athletes seek to leave a program for any number of reasons. Student-athlete transfers reflect poorly on the athletic programs and respective conferences and may result in a loss of scholarship(s) for the programs and conferences according to the Academic Progress Rule instituted by the National Collegiate Athletic Association (NCAA.com 2009). In light of the significant university resources invested in recruiting student-athletes to conferences and schools, great incentives exist to retain student-athletes and gain their allegiance toward the conference and university brands.

CONCLUSION

Student-athletes' satisfaction levels and perceptions of conferences suggest that Web 2.0 media offer opportunities for mid-major and major athletic conferences to enhance their brands with better communication choices – the medium is the message, especially to tech-savvy young people. Future research plans include conducting long interviews with respondents from the same student-athletes after graduation or leaving the university. This longitudinal approach could provide valuable data on whether the conferences' communication media choices influenced former student-athletes. This study may also be extended to investigate student athletes' highest preferences among technologically-targeted internal branding efforts.

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GLOBAL WEBSITE OR GLOCAL WEBSITE - NEW PARADIGM OF CONSUMER INFORMATION SEARCH POSITIONING INTERNET FOR THE CHALLENGES IN THE INDIAN CONTEXT

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ABSTRACT

The Information Technology has revolutionized various aspects of human life. Modern internet enables the customer to perform the pre-purchase information search by sitting in their office or at home. English language is the most popular language used on the internet. Even though nine out of top 30 most widely spoken languages in the world are Indian Languages, there are only few websites having content in regional languages. E-Commerce is the key driver for online advertising. But in India, it is still nascent and growing compared to other countries. Nearly 40 million people are using internet in India for various activities. The marketing companies should not ignore this population of net savvy individuals and low literates who go to the internet for information. Lack of availability of vernacular content is the root cause of low internet information search in India. To tap these customers, it is essential to make available the content in regional languages. The paper will talk about the importance of vernacular content of the website.

INTRODUCTION

The objective of the study is to look into the various aspects of online information search in modern day environment in the Indian context and to identify language barrier that affects the development of attitudes towards online information search. The study also aims at identifying customer requirements with respect to online information search giving certain conclusions to ensure the success of a website. This study is descriptive, diagnostic and exploratory in nature and based on secondary data. It is aimed at attitudes towards online information search, tapping the consumer feelings and attitudes towards online information search. It helps one to understand what consumers expect from the websites for their satisfaction and delight.

INFORMATION SEARCH

Information search is a stage in the decision making process in which consumers actively collect and utilize information from internal and/or external sources to make better purchase decisions. Sources such as friends, advertisements, magazines and consumer reports are often utilized by consumers to facilitate their decision-making. Lately, the Internet has joined other traditional media and become a major source of information for many products and services

for consumers because of its abundance of information and convenience.

E-Search

Information technology has revolutionized various aspects of human life. The world at large is rapidly entering the 'Net Age'. In traditional marketing information search, the consumers gather information from signboards, slides in cinema houses, advertisements in news papers, television or by visiting the dealers in person. On the other hand, modern internet enables the customers to perform the pre-purchase information search by sitting in their office or at homes through personal computer or Laptop.

When business and commerce tend to be on the electronic modes, Marketing can never remain isolated. Hence, the traditional information search changed to E-Search. E-search essentially is the paperless exchange of business information spread through Internet. E-search implies performing basic pre-purchase information search by customers round the clock globally through Electronic Media. With E-Search, traditional information search gets converted into a click of the computer button. The Indian Marketing Information System has witnessed a significant transformation in recent years. The marketing companies have been adopting several innovations in application of new techniques new methods and nov-

el schemes with a view to provide better services to their customers.

Glocalisation

Glocalisation is a combination of globalization and localization. Glocalization is the process of tailoring products or services to different local markets around the world. The advancements in technology have made worldwide markets accessible to the consumers. Yahoo is an example of a company that practices glocalization. Yahoo provides content and language variations in some 25 countries including China, Russia and Canada.

According to Philip Kotler, "From being local to being both Global and Local, called Glocal. A glocal strategy standardizes certain core elements and localizes other elements. Language is one of the elements to be localized. Vernacular content keeps the customer *in one's element*."

INFORMATION SEARCH – INDIAN CONTEXT

Indian languages are among the most widely spoken in the world in terms of population. India is a multi-language, multi-script country with 22 official languages and 11 written script forms. About a billion people in India use these languages as their first language. About 30% of the Indian population speaks Hindi. In fact, nine out of top 30 most widely spoken languages in the world are Indian languages with Hindi ranked at number 3 after Mandarin and English. Other languages are Bengali, Urdu, Punjabi, Tamil, Telugu, Marathi, Gujarati, and Kannada in that order.

Very little hard data is available on emerging Indian vernacular websites as they are still at a nascent stage of development. Thus far, little formal research has been devoted to the investigation of the underlying factors characterizing consumer behavior online and the existing studies are mostly qualitative and exploratory in nature. The present chapter provides the first part of such a qualitative framework of analysis, based on the observations made, aiming to address this issue and begin to fill the gap of research that exists in the area.

REVIEW OF LITERATURE

Philip Kotler [2003] suggested to make sure every customer can experience your Website and order products in the language and culture, with which he or she feels comfortable. You can set up e-commerce software to auto-detect an international customer. Then you can automatically set up a dedi-

cated country page, written in the language of the country.

Moon Byeong-Joon [2004] observed in his articles "Consumer adoption of the internet as an Information search and product purchase channel: some research hypotheses" that consumers search information through the internet and form a favourable attitude towards the product and internet channel after they consider product type, risks and benefits of online purchase and eventually may buy through the internet. Alternatively, consumers may perceive the advantage of the internet channel compared to offline channel at the initial stage of consumer decision making, and may execute their purchase through the internet.

Kralisch et. al [2005] observed that the web offers unprecedented opportunities for worldwide access to information resources, regardless of the user's country of origin. However, providing information globally raises the question of whether to offer a standardized or a culturally adapted website, often connected to important investment decisions. The results confirmed the hypotheses, indicating that users' cultural backgrounds influence their navigation patterns in terms of time, amount of accessed information, and (non)linearity of information access.

Bruce [2005] analyzed how to "think globally, act locally" is a challenge facing many e-commerce companies that want to extend their business to other parts of the globe. To address the cultural dimension of this problem, this paper examines a selection of leading e-commerce websites from the United States and China to determine what impact cultural differences have on the format and layout of their design. The implications of cultural influences on website design are discussed. There is also clear evidence of the need for e-commerce website designers to consider the impact of local culture,

Yang and Cho [2006] investigated the impact of the objectives of consumers' information search on their search behavior. They adopted the classification scheme of information search objectives provided by Bloch et al. and categorized consumers' information search objectives into 'pre-purchase search' and 'continuous search'.

Yang and Cho further examined the impact of consumers' objectives of information search on their search extent and search time with regard to web advertising, and preferred format of web advertising. They showed that consumers with a pre-purchase search objective searched more actively and preferred external web advertisements rather than embedded web advertisements.

Benu Aggarwal, [2009] founder and president of Milestone Internet Marketing, observed whether you are an aggressive marketer or a conservative spender, Internet Marketing and Promotion should be an integral part of your 2007 marketing campaign. If you are a Web site veteran in your market and have always been on top of search engine rankings until your competitors caught up, dig your heels into these latest trends and discover the edge you are searching for.

Ljiljana Stanković, Suzana Djukić [2001] observed that the Internet technology represents a potential that caused profound changes in the economy and society. The changes reached more or less enterprises of all the types of activities. Traditional branches create their competitive advantages by integrating traditional and Internet-based methods of business operations, while so-called digital branches attain their respective competitive advantages by developing strategies that provide market superiority through the predominant usage of the Internet. Integration of the Internet into each business segment conditions the survival of an enterprise in the global market. The essential question is how to perform it and ensure that the enterprise makes the maximum out of the opportunities offered by this technology. It is necessary to dispose of adequate capital, to have the knowledge and organizational culture favoring the necessary changes. It is important to emphasize that the possibilities of the Internet are still unexplored and that new opportunities are constantly appearing, as well as that they should constantly be integrated into the enterprise business operations.

Yasukata Yano [2006] observed in his article “Cross-cultural Communication and English as an International Language” that today, we communicate beyond the national borders by e-mailing, chatting, blogging, web browsing besides speaking and writing. In these days of global networking, we are thrown into the society of deterritorialized, hybrid, changing and conflicting cultures, where we are expected to become pluricultural individuals. In the light of cross-cultural communication, the language policy and planning of the Council of Europe is a grand experiment based on plurilingualism and pluriculturalism.

Existing information search theories focus on the characteristics of information search behavior and website characteristics. The present research focuses on the impact of vernacular information search through internet that can provide information more effectively than a foreign language.

NEED FOR VERNACULAR WEB CONTENT

The Hindi and Bengali languages have third and eighth highest number of speakers globally, whereas they do not figure anywhere among the top ten internet languages. To tap these customers, it is essential to make available the content in regional languages.

But surprisingly, according to a study [2008] conducted jointly by Internet and Mobile Association of India (IAMAI) and IMRB (International Marketing Research Bureau), there are 1,249 local language websites operating in India. The study identified that the Indian Languages did not figure as the top 10 languages on the web. As far as news papers are concerned, no English language newspaper has been able to match the subscriber base of the regional dialects. Further, the Hindi television channels have achieved exceptional success compared to their English counterparts. For example, Star TV, which came to India as an English channel has now slowly converted into a completely Hindi one.

According to Juxt Consult (Online Research and Advisory) “India online 2008” [2008] survey, the proportion of internet users who generally prefer to read in local language itself has gone up from 59% last year to 72% this year. Secondly, the proportion of internet users who visit or check local language websites has also gone up from just 12% last year to 34% this year. That is, almost 1 in 3 online Indians is already using local language websites.

Studies and polls show that consumers enjoy the wealth of information that the net has to offer, but prefer to complete the buying process offline. Though the Internet has become an essential product research tool for the average consumer, the majority of purchases still crop up offline.

Since the English speaking population in India is just 15 million and 60% is already logged on to internet so the problem of saturation may arise if the Marketing Managers don't pay attention to the development regional language content.

Owing to Liberalization, Privatization and Globalization (LPG) market trends are changing rapidly and influencing buyer behavior. The LPG removed the boundaries of the world market and the word “GLOBAL” has become “GLOCAL” (GO-LOCAL). The buyer behavior is ever changing and influenced by fashion, technology and economic factors. However, Markets and Companies are either neglecting or ignoring the language barriers. The marketing companies can incorporate Indian languages in their internet communication channel to increase their market reach to include the non-English speaking populace.

The Customer is the focal point of every business. The very existence of business depends on customer satisfaction. The satisfaction can be provided to customers only through fulfilling his needs and desires for product or service through vernacular E-Commerce websites.

FINDINGS

Previous studies on online consumer behavior focused on either product purchase through the internet or information search through the internet and it did not examine the impact of vernacular content websites.

Regan and Keith [2000] emphasized that Marketers must create a dialogue, add value, and deepen the relationship with their customers. To achieve this, marketers need to create a consistent message throughout all media, conveying the same tone and style in print, television, e-mail, and online advertising.

McCarthy and Michael [2000] observed that the new trend in advertising is “hybrid” campaigns that integrate traditional media with the Web to make the customer an active participant.

Kralisch [2005] observed that the Linguistic adaptations of websites are often related to important investment decisions. Therefore, websites are frequently translated into a limited number of languages. Companies that want to reach a worldwide audience without any specific focus generally base their decisions about linguistic adaptations on e-commerce volume and growth. However, especially when the company cooperates with partners of different, yet specific linguistic backgrounds, information about national e-commerce volumes is hardly useful for deciding about which language versions should have the highest priority

Based on the previous research discussed earlier, we can sum up that the vernacular website will definitely impact the consumer information search. The more user friendly information search through vernacular website will greatly help the consumers to understand the content. Information in vernacular language builds the trust and relationship with the customer and the best ones will lead to more customers as they tell others about the Business

With rapidly growing internet usage and literacy rates in India, the next media revolution would happen on the internet. But everywhere there is an inadequate supply of relevant material in vernacular language. The use of vernacular languages as a vehicle of information transfer is still weak. In a country like India it is important to have website content in a vernacular language.

According to a study, there are 28 million online shoppers. Of these, only 28%, or 7.97 million currently ‘buy’ online. The rest 72% of them, or 20.07 million, only search for products online but do not buy them online yet (window shoppers). The vernacular web will greatly help the window shoppers, to search more conveniently and user friendly.

In a study, it is observed that the persons, whose English Language is second language, would like to read information in their own languages. To tap these customers, it is essential to make available the content in regional languages. Marketing Managers are already giving advertisements in vernacular languages both in Print and Television Media, but they ignored the Internet. The role of marketers should not be confined to information provider in vernacular language. They should encourage the use of vernacular languages and it also enables the blossoming of local cultures and popular traditions.

Surprisingly, though having rich graphics content, the marketing websites lack an Indian localized version of the websites. Clearly these marketing websites have not targeted the low-literate population which would prefer reading content in their own language. There are a few features that can be downloaded. Very few websites have the new interactive communication tools like blogs guest books, Survey polls, RSS feeds. Some do not even feedback form or contact details. Most of the websites in India have hosted their websites as a brochure employing a top down communication approach rather than an interactive one.

CONCLUSION

It is observed that the World Wide Web holds the key to shape our societies and cultures in the future. The development of relevant language content, local content and clear benefits around ‘consumer information search’, ‘communication needs’, and ‘personal conveniences’ would make the Internet more relevant for the Indian Consumers.

Establishing a good vernacular website requires investment and money. But the payback is much greater than the customer dissatisfaction. The E-commerce is relatively new media with a low number of users in India. Give the taste of local language website flavor to them and everybody will click it. Creating and hosting the multiple language website are much cheaper to start up and operate than advertisement costs in print and television media.

It is a wrong and narrow minded assumption among some of the Indians that with the spread of Regional Languages as lingua franca of the websites, English language would wane down. It is a wrong assumption. The Indian Marketers should recognize

that with the growth of our all Regional Languages we should equally cultivate the international language.

Some times the purchase may be made through offline channels even after consumers search information through the internet. In this case also, the website can provide satisfaction to the consumer in the pre purchase stage and post purchase stage effectively.

Generally the marketing companies print the brochures, pamphlets, Guarantee/Warranty cards and user manual in multiple languages in a single book. But in the websites, the marketers can provide the information in downloadable Word (Word Processor) and PDF (Portable Document Format) formats in different vernacular languages separately. At the time sale, the dealer can download the documents in the required language and can be provided to the consumer in desired language. The marketers can start Digizines (Digital Magazines) in vernacular language.

The marketers should integrate their website address while advertising in other media like print and television so that it can be popularized among consumers.

With the rapid spread of computers and internet across all over the world, a need arose to have a standard and reliable way to communicate in their respective languages. A Unicode IMEs (Input Method Editors) for Indian languages are available now. This will enable the software developers to create true Indian language software solutions without using any costly third party tools. With the development of software, the marketing companies can create web content in Indian languages. It will also help to sort/search content and to store in and retrieve data from compatible databases.

As can be perceived from the notes made in the previous sections, the actual and the needy target audience of such technologies is no doubt the people from the rural communities who find it relatively difficult to use English interface websites. It is to be noted that the effective use and need of localized websites has further been justified in the context of the marketing communication that has given equal priority to all the languages spoken all over the world as well as motivated towards establishing a bond between a company and the consumer. An important consumer benefit associated with marketing on the vernacular web is the access to greater amounts of dynamic information to support queries for consumer decision making and ways to have conversation with the customers. For the success of E-Commerce websites, the marketing companies should plan for GLOCAL websites, with localized content in vernacular language.

FUTURE RESEARCH

While this paper helped readers to gain insight on the perception of consumers with regard to information search on Internet, these initial findings still warrant further investigation. To achieve a better understanding of these factors, future research should include a larger sample size and more variety in terms of subjects' sources. The study also leads to several avenues for future research. For instance, the study suggests that customers who perceive more information prefer the local language. Future research may further investigate what benefits consumers find with vernacular online content (information) and how this can be improved. Understanding perceptions of risk that may be associated with vernacular websites and services may enable online businesses to create more positive experience.

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MARKETING RESEARCH IN EMERGING ECONOMY: PRELIMINARY OBSERVATIONS ON VIETNAM

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ABSTRACT

In several emerging economies, such as Vietnam, marketing research is a rapidly growing field of practice. . To assess the current level of development of Vietnamese marketing research, this study employed multiple methods, namely secondary research, qualitative investigation, and a content analysis of web sites of major Vietnamese marketing research suppliers. Each of these methods yielded different findings: (1) Results of the secondary research indicate that a very small percentage of the top 50 U.S. market research firms either operates or has affiliates in Vietnam. In addition to having to navigate a relatively poor infrastructure in the country, they must work with differences in personnel and culture, methodologies, and types of suppliers. For instance, door-to-door sampling is the dominant data collection method, because there are few telephones in homes and limited telephone directories in Vietnam. (2) Findings of the qualitative investigation with key informants suggest that the major difficulty for Western companies wishing to contract research in Vietnam is the identification of appropriate research suppliers. (3) The content analysis of web sites of 23 marketing research firms reveal that while the majority of marketing research firms serve both B2B and B2C market, a few firms position themselves exclusively for the B2C market. A vast majority of the firms engage in both qualitative and quantitative research. Implications of the findings and study limitations are also discussed.

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THE IMF ON CENTER STAGE: MARKETING THE LATEST REPOSITIONING OF AN INTERNATIONAL INSTITUTION

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ABSTRACT

The global economic downturn of 2008-09 has provided a major opportunity for a return to prominence of the International Monetary Fund (IMF). While that six-decade old Washington-based institution recognized that the global financial crisis of 2007-08 would require an urgent repositioning of IMF programs and procedures regarding emerging-market countries and low-income countries, the G-20 London summit in 2009 provided a mandate to accelerate reshaping of IMF programs and expanding its financial resources in order to alleviate a widening range of adverse consequences. The marketing response of the IMF to the G-20 summit in Pittsburgh provides an important case study of how a nonprofit, public sector multinational institution can move to center stage amid a difficult international economic/political environment.

INTRODUCTION

IMF (1970-2002) annual reports, the Bretton Woods Commission (1994), Little and Olivie (1999), and Holden (1996), summarize how that institution has repositioned itself in such earlier international difficulties as the breakdown of the fixed exchange-rate system in the 1970s, the less-developed country (LDC) debt crisis of the 1980s, the uneasy entry of Eastern European countries into the global economy in the 1990s, and concerns with low-income country (LIC) poverty in the Millennium efforts early in this new century. But the ongoing repositioning of 2008-09 promises to involve virtually every member of the IMF, from the wealthiest to the poorest rather than selected groups of nations.

Assessing the IMF's marketing of its probable movement to center stage is therefore well worth consideration, given the magnitude of the financial resources it can deploy and the authorization of the G-20 nations for the IMF to engage in enhanced lending and related activities.

THE IMF IN PERSPECTIVE

Created in 1944 at Bretton Woods (NH), along with its international sister (the IBRD or World Bank), the IMF is an international institution that has been in the headlines whenever major countries or groups of nations encounter problems meeting their external account and currency stability obligations under the Articles of Agreement. Notably, its short-term lending programs and even its reason for existence have necessarily evolved after its first two decades when it over-

saw a fixed exchange-rate system.

As its annual reports over the subsequent decades have made clear, the institution was repositioned in a fundamental way after the breakdown of the Bretton Woods fixed exchange-rate system in the early 1970s. This process was repeated when the IMF became a major participant in the eventual resolution of the largely Latin American debt crisis of the 1980s and again when Central European nations transitioned into the market economy in the 1990s following the dissolution of the Soviet Union. And when poverty in less-developed countries emerged as a major issue in the new century, the IMF undertook major changes in its concessionary programs and its focus.

In sum, there is no doubt that the IMF has played an important role in working to alleviate international financial and economic unsettlements in each of the last five decades. Moreover, its successful efforts to move beyond a mere supporter of the post-war fixed exchange-rate standard have been documented by a diversity of reports.

With its nearly universal membership of 186 nations in 2009 and its 65 years of using its financial resources and technical advice to help support adjustment programs in member nations, the IMF has gained valuable experience in working with governments. Moreover, the IMF's Managing Director (Dominique Strauss-Kahn, a former finance minister of France) recognized as he assumed office in November 2007 that the IMF would be called upon to return to the forefront whenever member nations find they are cut off from access to international capital markets. The 2008 IMF annual report explicitly laid out Strauss-Kahn's determination

to have the institution ready to contribute to easing the imminent international financial dilemma, which had been largely forecast in the institution's World Economic Outlook in 2008 and by Strauss-Kahn (e.g., IMF 2008).

This paper highlights important elements of the IMF's marketing efforts during 2008-09 as it repositions to center stage as a major participant in the challenging global economic environment.

SOME ELEMENTS OF THE LATEST REPOSITIONING

While the economic forecasts provided in the IMF's semi-annual World Economic Outlook (WEO) have typically been headlined in the press over the years, the 2008-09 financial and economic crisis has seemingly elevated the need for one authoritative assessment of "global" business conditions. And with the new forum for global economic management passing in 2009 from the decades-old "G-7" (major industrial nations) to the "G-20" (industrial and major emerging nations), the G-20 ministers understandably want more than an Organization of Economic Cooperation and Development (OECD) semi-annual Economic Outlook that has largely rested on an assessment of the U.S., Japan, industrialized western Europe, as well as a few emerging countries. As the IMF managing Director correctly points out, a "global outlook" can hide markedly uneven performances in an downturn, while the WEO pinpoints such diversity. The IMF is comfortably assuming the mantle of "global forecaster," and its various WEO updates and its working papers [e.g., Franks and Hesse (2009) Balakrishnan, et al (2009), Yang and Nyberg (2009)] are providing, for example, major assessments of how the national restimulation packages of industrial and emerging economies are influencing the outlook (IMF 2009a).

A second and related repositioning element involves the IMF's elevated status as a "policy maker." Given the IMF's role in providing a global economic forecast, it is inevitable that many G-20 members expect consultation with the IMF to be an ongoing process regarding the advisability of undertaking and continuing such measures as record domestic fiscal stimulus packages ("Budget Deficits..." 2009). While Strauss-Kahn is well aware that G-20 and other governments must win domestic approval for fiscal appropriations, few G-20 finance ministers will fail to link in some manner their stimulatory budgeting to IMF recommendations.

The financial and related risks exposed in the 2008-09 economic downturn are also driving the IMF toward a third element of the repositioning: a strengthening of its long-mandated surveillance of economic

policies of member nations. Heretofore, the IMF has conducted formal annual consultations (e.g., IMF 2009e) with most members, especially regarding fiscal, monetary, banking, or trade policies that posed risks to the international monetary system. But the results of many consultations with major governments were sometimes buried if the latter wished to avoid embarrassment or domestic political opposition to IMF recommendations. It appears that G-20 governments now accept that surveillance should include early warnings and even the need to adapt domestic policy; this IMF role is not intended to replace the national initiative but to monitor it much like a hard-nosed domestic regulator.

The fourth repositioning involves creation of new programs that could lessen evident financial difficulties for middle-income or emerging countries. Among the most important is the new "Flexible Credit Line" (FCL). This is more than a renaming of an existing program, for it allows liberal access and considerably larger resources to flow to otherwise credit-worthy nations that have been practicing prudent management. As the first country to draw on this line, Mexico (and then Colombia and Poland) can testify to the apparent lack of a "stigma" for obtaining such a precautionary IMF line of credit ("Poland's Credit Line..." 2009; IMF 2009d).

The fifth element of the repositioning brings new concessional financing initiatives to hard-hit low-income countries, many encountering a serious combination of weakening commodity prices, lessening import demand from industrial countries, a much reduced inflow of capital, and fiscal resources inadequate to permit a needed domestic restimulation (IMF 2009f; IMF 2009g). It is notable that such prudently managed countries had achieved a record increase in their national output in 2007-08 but now face a downdraft that could wipe out several years of gains in reducing poverty. An intended doubling in IMF concessional lending would aim to assure that no poor country must suffer a major downturn in its anti-poverty efforts under the Millennium objectives brought about by a sudden retrenchment in the global banking system.

As acceleration in IMF efforts to raise large-scale new financial resources represents a sixth element in the repositioning of the institution. Among the most vital immediate efforts is the intent to secure loans from large industrial nations and China in 2009, with the intention of essentially pushing the \$250 billion in existing IMF financial resources above the \$750 billion mark in two distinct steps. That is, Japan, the European Union (e.g., IMF 2009b) and several of its members, some other small industrial nations, and China have committed some \$250 billion. Presumably the U.S. and other leading financial nations will make up a second tranche of \$250 billion in 2010. This formidable

ble sum will augment some \$250 billion of existing resources and so allow the IMF to fund regular standbys (e.g., IMF 2009c), its new FCL, and its concessionary lending policies.

The IMF is also positioned to move well beyond its landmark but modest issuance of Special Drawing Rights (dubbed “paper gold”) in the early 1970s (when international liquidity was deemed to be in short supply). The G-20 expects a new SDR tranche of some \$250 billion to be created and to be allocated in accordance with each member’s quota at the IMF. This goal, according to IMF calculations, would mean some \$19 billion of unconditional international reserve assets directed to low-income countries, as well as large welcome additions to the reserves of hard pressed emerging countries of Central Europe, Latin America, and Asia. Management of this process will undoubtedly reside in the IMF, which may well find that not all major members necessarily believe international liquidity is in short supply or that SDR creation in this magnitude is prudent.

The final repositioning of IMF involves that institution’s governance and the de jure acknowledgement of major changes in global economic relations. Just as the G-20 now reflects the inclusion of important industrial and emerging economies into the traditional G-7 leadership, so the IMF will undertake a re-weighting of quotas to reflect the reality of China, India, and Brazil as economic heavyweights; such other nations as Mexico, South Africa, and Korea also are likely to move from an under-representation, as will other parts of sub-Saharan Africa. Moreover, the standard quinquennial review of quotas completed in 2008 will apparently be followed by a new review in 2011 (instead of 2013), with the Fund then likely to incorporate a more representative voting structure and a considerable increase in lendable resources.

IMPLICATIONS OF THE IMF REPOSITIONING

On the one hand, the IMF repositioning could be assessed as merely reflecting economic realities in a world where the G-7 powers are yielding their formerly pre-eminent responsibility for management of the international economy to a more representative G-20. But the IMF, with its long history of repositioning and with a dynamic Managing Director at the helm, could also be seen as seizing an opportunity to align its financial capabilities with the policies of the U.S. (Geithner 2009) and other major governments that welcome a pro-active fiscal stimulus and a more aggressive international lender. For few countries are not affected by the 2008-09 downturn, and international capital markets are essentially closed to all but the most creditworthy nations.

The marketing efforts underway to accompany the actual repositioning of the IMF have indeed benefitted from both the high profile of the G-20 in 2009 and from the risk of continued severe recession in much of the global economy. In all, new products (like the FCL), a new distribution of resources to the low income countries (such as SDRs), new pricing for some concessionary lending efforts, and enhanced global publicity for the IMF’s new responsibilities make an interesting case study of successful repositioning by a multilateral public institution.

Finally, companies dependent upon international trade welcome those IMF repositioning initiatives that encourage domestic restimulation, advise on restructuring packages, and return credit-worthiness to hard-pressed emerging countries, otherwise threatened by 2008-09 whirlwind of global financial tightening and economic downturn. Even nations securely within the Euro area may recognize the contribution of a repositioned IMF (e.g., “IMF Technical Mission to Advise Greece ...” 2010).

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ETHICS IN MINORITY MARKETING: ADVERTISING PRACTICES AND MARKETING CAMPAIGNS

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ABSTRACT

Marketing to targeted minority could provide a competitive advantage for the organization. However, there are ethical and legal concerns that must be carefully evaluated. This paper describes marketplace discrimination and ethical issues in minority marketing. The study concludes with recommendations for future research and implications for socially responsible marketing practices.

INTRODUCTION

Marketing is a critical aspect of a prosperous business. Marketing managers are responsible for identifying the consumer groups that are most likely to purchase the product or service and develop campaigns to gain the attention of customers, encouraging them to make the purchase. The process of customer segmentation is a vital aspect of focusing marketing campaigns to the sector of society that marketers are aiming to reach. Target marketing can save time and resources and is likely to ensure the best return on investment of the marketing budget. Examples of customer segmentation could be observed at many children's television networks' advertising practices. It is not surprising that the commercials are entirely focused on items of interest to children; toys, snack foods, theme parks, and the latest movies. In comparison, if you turn to the History channel, the commercials become more relative to the adult audience interested in that programming. Advertising campaigns generally include multiple channels and different types of advertisements. For example, McDonald's may run an ad campaign for the filet of fish sandwich in the DC metro area that reflect the racial and ethnic makeup of that area while they feature another ad for the same product in the Midwest with actors reflective of that population.

Marketers take great effort in finding ways to reach specific sectors of society. Attempts to reach these groups may result in the use of stereotypical perceptions in the campaigns. When this occurs, companies run the risk of offending a group with the potential of inadvertently exposing themselves to lawsuits or, even financially devastating, court of public opinion. There must be a balance between targeting the marketing message to the right group of

individuals without discrimination. A historical review of the marketing industry provides an abundance of cases where companies have crossed the line from customer segmentation into the realm of discriminatory marketing. It is a difficult task to evaluate the appropriateness of the strategies to target such groups. The foremost example of this is the case of R.J. Reynolds Company and their attempt to launch a new line of cigarettes called Uptown which was targeted at the young urban black community in Philadelphia (Sautter & Oretskin, 1997). With statistics from the World Health Organization indicating the level of tobacco related illnesses being disproportionate in this demographic, public opinion quickly turned against the campaign. Efforts to promote items that are now known as potentially harmful products (PHPs) came under high scrutiny. Attempts to segment customers for alcohol, tobacco, and even some snack foods were seen as an intentional exploitation of the disadvantaged members of society.

However, race is a dangerous terrain when dealing with customer segmentation. Sexual orientation, ageism, children and youth, gender, and religion have all been areas considered in discriminatory marketing cases. While each of these represent an opportunity to segment the market and deliver laser-beam focused campaigns, there is tremendous risk in potentially offending customers. The paper first discusses the literature on target marketing, discussing recent cases of advertising and marketing campaigns directed at minorities and the related ethical concerns. Next, the methodology is presented with primary data analysis. In the Conclusion, recommendations are made to practitioners and future research.

LITERATURE REVIEW

There is much literature on the various aspects of customer segmentation and discriminatory marketing. We address some of the major categories of potential discrimination, including sexual orientation, ageism, children, youth, gender, and religion.

Niemela-Nyhinen's (2007) study based on mail surveys to 620 individuals born between 1946 and 1964, commonly referred to as baby boomers, evaluates issues of stereotypes in marketing noting that this generation is technologically challenged and not accessible by marketing campaigns that are used to reach younger generations. The results indicate that the previous perceptions about baby boomers were not overwhelmingly accurate. While this study is quite limited in participants and took place in Finland, there is still valuable information to apply to the topic addressed in this paper. Targeted marketing in the United States also applies this sector of society as non-technical and more efforts are focused on reaching these individuals through printed matter, television, and direct mail. The authors refer to the capabilities and comfort reported by this demographic that dispute the widely held stereotype and note that this sizeable market is willing to spend their savings if only companies would reach out to them.

In keeping with the topic of ageism, Fay (1998) identifies baby boomers as a glimmering opportunity to exploit this mature group by leveraging their adoration for their grandchildren. The paper discusses the boomers' interest in technology as a way to keep in touch with their grandchildren through email, text messaging, and social networking. The author encourages marketing managers to see this untapped market of individuals with expendable income. The importance of this is that the size of baby boomers has been growing exponentially.

By 2010, the number of grandparents will grow by one-third, from 60 million to 80 million (Fay, 1998 p. 39). Baby boomers have a great desire to spoil their grandchildren. Products that are projected to be of interest to baby boomers according to Fay (1998) include mini-vans, computers, media & entertainment, travel packages with activities to accommodate the grandparents and the kids alike, also called "grandtravel packages." However, Fay (1998) notes that there needs to be more research on this sector to be able to capitalize on its market potential.

In racial stereotypes, representing the most commonly occurring and notorious violations, there is plenty of documentation on its effect on marketing. Darity (2001) discusses the functionality of market-based discrimination. The research discusses the

"presence of a dominant group and a subaltern group in an environment where there is rivalry over social rewards" (Darity, 2001, p. 980). This study describes the social interaction of any hierarchical society. The research provides a deep insight into racial discrimination even among members of the same race. The pervasive need to feel dominant over other members has caused humans to discriminate even if it is at the cost of individuals like them.

The marketing of potentially harmful products is the most familiar scenario where racial discrimination was addressed in a marketing context. Sautter and Oretskin (1997) provide an overview of the case and discuss examples of crises in corporate America resulting from the misunderstanding of the impact of this targeted marketing. Harris, Henderson, and Williams (2005) discuss the legal and ethical implications of consumer racial profiling (CRP) taking the impact of the Civil Rights Act of 1964 into consideration. They provide great detail on the level of CRP existing in American marketing campaigns through content analysis of numerous pieces of previous research documentation and 81 legal cases on the topic. They address issues commonly found in social dialogue such as *shopping while black*, where African-American shoppers are suspiciously followed through the stores they shop.

The authors create three categories as a framework for evaluation to describe the types of discrimination evident in these cases as subtle degradation, overt degradation, subtle denial, and overt denial. They also discuss criminal treatment of customers in various service environments. The study concludes with the recommendation that companies greatly need to train their employees and create a system to measure the results of success and acknowledge improper incidents for the opportunity to improve. Additionally, they encourage individuals who have been victimized to take a stand, let the violation be known, and expect resolution even if that means taking legal action. They provide a thorough review of current legislation on the topic.

Oyler (2005) prepared a critical response to the previous author's publication. This document claims that the previous authors made two major flaws in their methodology; lack of data to correlate the number of complaints filed with the number of incidents of discrimination and the authors did not have a full understanding of the judicial process and it affected their empirical evidence. Credit is given to several points made in the analysis that are worthy of future continued study, including opening further discussion and research on the topic of CRP.

Another controversial topic is marketing to children and youth. This minority segment is one of the most protected groups in our society. Much

research has been done on the effect of advertising on the development of behaviors in children. Lee, Choi, and Quilliam (2009) provide a thorough review of current trends in advertising food to children primarily through games promoting products known as *advergames*. The study notes that despite the intent to integrative learning and using games for learning, children actually gain little education regarding nutrition and general health from these programs. The authors attempt to establish a link between the plethora of *advergames* and other marketing campaigns aimed at children and the increase in childhood obesity in America. The paper calls for a more active role of the government and consumer advocacy agencies to help protect the rights of young individuals who are especially vulnerable to marketing.

Needlman (2009) addresses the issue of marketing food products to children in his review of the results of a committee established by the New York Board of Children, Youth and Families. He clearly identifies a problem with the ability to research this topic as most of the empirical data is gathered and maintained by the food industry themselves, eliminating the opportunity for an unbiased evaluation of research data. Similarly, Rotfeld (2003) describes a pervasive problem in the marketing industry where firms have established the practice of hiring members of the target market to create the campaign for that same demographic group. The author implies that this practice is stereotypical and prejudicial that enforces the concept that all members of a given group have the same mentality and think-alike. The message created by this hiring practice is that, as an example, only men can create copy that will be of interest to other men. While this practice could be perceived as a positive influence, it also perpetuates the stereotype and discriminates against members of other groups as incapable of reaching other demographics. Similarly, La Croix (1983) discusses the practice of using pricing as a discriminatory process through the income levels of society, more specifically through the use of cents off coupons. The research addresses the concept of the impact of coupons on the pricing process for items marketed to those on welfare and areas of lower income.

Customer Segmentation

Through customer segmentation, marketers divide customers into groups with similar characteristics. The commonalities could be any number of factors including demographic, geographic, or even behavioral data. The practice of segmentation is especially important when a business

is trying to launch a new product or marketing campaign targeted to a specific sector of society. Continuous evaluation of the company's customer segmentation practices is a critical component of market growth. A company cannot thrive if it only focuses on its current customer base, especially in today's media exaggerated world. While some aggressive product managers may want to believe that everyone is their target market, the reality is that the market must be segmented to better direct marketing efforts. The company must find ways to segment their markets for each product, and then further, segment their customers. Segmenting the markets and customers allows a targeted focus to provide each group of customers with a product or service of value to them.

Customers experience a bombardment of product and service options each day via a plethora of media. Tsai (2008) indicates as many as 5,000 advertising messages on any given day. As with anything humans do to excess, this overwhelming barrage of marketing tends to cause a certain level of numbness to all of it, making it even more difficult to connect and affect the change in the purchasing behavior desired. Marketing in this technological era is much more difficult than in the past. "Twenty years ago, an attempt to reach 80 percent of the population could be covered by placing three advertisements on the three major television networks. Now...it would require 150 to 200 advertisements to reach the same number of people" (Tsai, 2008, p.8). Successful segmentation offers the opportunity to improve the effectiveness of several areas of an organization, resulting in dynamic increases in the company's bottom line. The ultimate goal is to market directly to that group in a manner in which they feel you have made a personal connection with them. The appearance of personalized marketing campaigns is a quite common goal in direct marketing materials.

Customers may be segmented by a variety of factors. Geographic data is the outermost layer on the onion of segmentation. This layer is often the easiest to identify but the least effective. Even within one geographic area, there are significant variances in consumer behavior. The next layer could be the demographic data. The ability to segment customers by income levels, sex, race, and even religion brings an entirely different light to your customer relationship management process. The fine line between customer segmentation and discriminatory marketing comes to pass. Marketers must find a way to segment customers and target campaigns without entering into territories of customer racial profiling as described by Harris et al., (2005) or discriminatory marketing noted by Sautter & Oretskin (1997).

Society faces a great dichotomy of protecting individuals, especially children, from racy and lewd messages in the normal course of their day yet still affording marketers their legal right to commercial free speech. A commercial launched in April 2009 by Burger King provides a great example to evaluate these concepts. The ad uses Sir Mix-A-Lot's 1992 hit song Baby Got Back showing images from the popular children's cartoon on Nickelodeon Sponge Bob Square Pants, with questionable sexually orientation. The advertisement touts the franchise's launch of the .99 cent Kids Meal. This advertisement generated a storm of protests from a variety of advocacy groups and letter writing campaigns from frustrated parents across the country. There has been a plethora of articles from various news agencies commenting on this ad campaign. One article in The New York Times quotes the frustration of the director of the advocacy group campaign for a Commercial-Free Childhood, Susan Linn; "It's bad enough when companies use a beloved media character like SpongeBob to promote junk food to children, but it's utterly reprehensible when the character simultaneously promotes objectified, sexualized images of women" (Elliott, p. 1, 2009).

Beyond the news agencies and the advocacy groups, general members of society have voiced their disapproval through the Internet. A Google search using key word terms of "Burger King Sponge Bob" finds 58,000 hits including a Facebook page set up to boycott Burger King with 623 members (Facebook.com, 2009). The song Baby Got Back was relevant to individuals who grew up listening to the music of the early 90s targeting those 35-45 years of age, regardless of gender or race. This song would also reach the younger generation 15-25 who have experienced the resurrection of this song in various movies and television shows with cult followings including Friends, Charlie's Angels, even Shrek and Happy Feet. This song has had momentary flashes of notoriety since its controversial release in 1992 when the video was originally banned by MTV for its sexually explicit message. Even so, it remained one of the most requested videos and landed as the number one hit on Billboard for five weeks. From the beginning, this song generated publicity through controversy (Billboard.com, 2009). In following with the history of the song, Burger King mustered up the stereotypical images of the video girls with sexually explicit dancing, dress, and behavior.

Sponge Bob Square Pants is a cartoon with a cult following of its own. While it is intended for children, it is often purported to have many underlying messages to entertain the adults who are watching it with the children. It originally aired in 1999 and has received a litany of awards since.

Parents and grandparents of these children are exposed to the characters in the cartoon and familiar with the story lines. Elliot (2009) quotes the Nickelodeon spokesperson he describing the cartoon boasts "a monthly adult viewership of 45 million people above the age of 18" (p.1).

Burger King potentially found one of the greatest combinations of cultural images to reach a diverse audience who find meaning in the multiple messages relayed in the commercial. Everyone from 4 to 64 has some kind of reference to these images. Unfortunately, many of these references were negative and deemed inappropriate for the audience. In reality, this is not the first time Burger King has pushed the limits with their advertising. Recent memory can recall the image of Paris Hilton in a bathing suit washing a car while eating a burger. This too has caused controversy and notoriety for the restaurant chain. The message in the advertising of Sponge Bob Square Pants is entirely promotional. This has set the stage for a multitude of advocacy groups to engage in protests, public outcry, and political activism to ban the advertisement from the airwaves. Initially, the target was to remove the commercial from Nickelodeon, the Cartoon Network and other channels targeted at children. This resulted in Burger King reducing the airtime of the commercial although the company claimed that this was because it was the end of the campaign and not due to public outcry (Elliott, 2009).

METHODOLOGY

The information used in this report includes secondary data and primary data collected from interviews, reports, and media sources. A survey was administered to a small convenience sample (45 volunteers) to inquire about their perceptions of marketing and advertising practices directed at minority groups. The participants were offered anonymity through the use of a drop box left in a public location. The responses were tabulated and analyzed to identify trends and patterns of consumer opinion about minority marketing. While the sampling of data is small and is not used to develop any significant findings of public opinion, it can be used as an anecdotal review of how this particular sampling of individuals responded to the Burger King advertisement.

FINDINGS

Questionnaires were distributed to 45 individuals who were volunteers. A total of 36 surveys were returned which represents an 80% response rate. The questions were categorized into four measurement

areas including demographic, customer perception of the campaign, customer reaction, and their sense of social responsibility. Table 1 shows the demographic breakout of the data collected from the questionnaires. This data is merely used to find relevance to the different demographic sectors of the participants and the correlation to their perceptions to the commercial and the public reaction.

Table 1. Demographic Characteristics

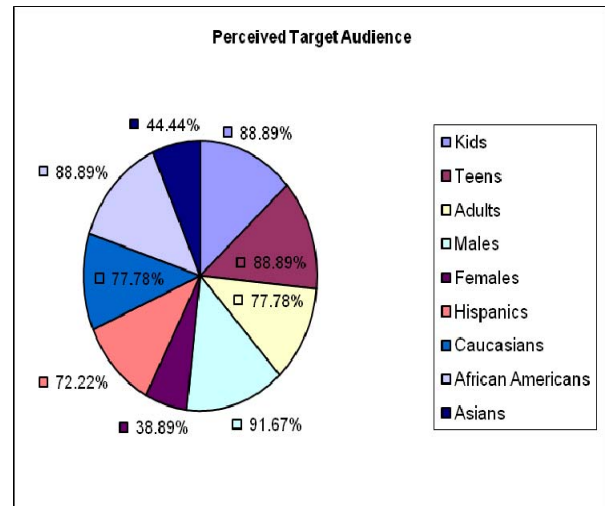
	Demographic Data			
	Question	Responded	Rate	
Respondent Age	18-25	9	25.00%	
	26-35	9	25.00%	
	36-45	12	33.33%	
	46-55	4	11.11%	
	56-65	2	5.56%	
Gender	M	19	52.78%	
	F	17	47.22%	
Parent	Y	23	63.89%	
	N	13	36.11%	
Grandparent	Y	11	30.56%	
	N	24	66.67%	
Children's Age	0-9	12	33.33%	
	9-12yr	16	44.44%	
	13-18	6	16.67%	
Marital Status	Married	20	55.56%	
	Single	12	33.33%	
	Divorced	4	11.11%	

Questions 5, 6c, 6d, 9a and 9b of the questionnaire represent the customers' perception of the advertising campaign. These questions extract information from the respondents regarding their awareness of the target market for the commercial and their perception of the effectiveness of the campaign regardless of their agreement with the message.

Data analysis is presented in Figures 1 & 2 below. The majority of respondents (91.67%) perceived the target audience (Q5) for the commercial to be men. However, there is a three way tie at 88.89% showing kids, teens, and African Americans as the perceived target market. The next perceived target was a tie between Caucasians and adults at 77.78%.

When the data is further broken down by gender, it becomes even more telling. Men felt the targets were very different than women (Figure 3). Only 23% of the female respondents felt the commercial targeted them as an audience where 53% of the men felt women were a target. Women overwhelmingly (94%) felt the commercial targeted men.

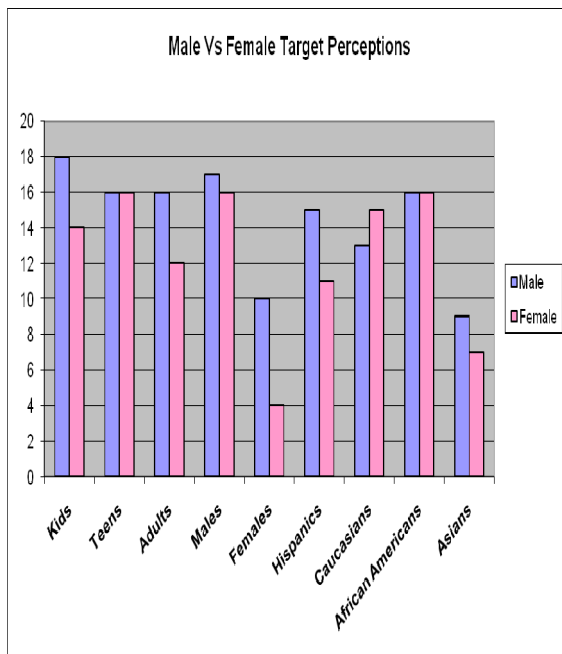
Figure 1. Target Perceptions



Responses on the effectiveness of the campaign can be found in Question 6d. Regarding the appropriateness for the audience, Question 6c, only 30% rated it as appropriate. When asked if they thought it was a great campaign (Question 9c), nearly 42% agreed. A more influential factor, Question 7a, asked if the commercial prompted them to visit Burger King. The answer to this was a resounding no, with no one recording a 4 or 5 on the scale and only 2 recording a 3, essentially a neutral answer. When asked if the commercial was exploitative (Question 9), the data shows more disparity among the sexes with 38.89% overall in agreement, and only 16% of men and 65% of women believing the ad exploited women. In regards to children, the findings are similar, 27.78% believing it was exploitative, out which women represented an overwhelming majority of 53% and while men represented only 5% of the responses.

Participants noted frustration with the commercial in response to Question 7b and 7c where individuals expressed irritation with Nickelodeon and Burger King at a combined rate of 72% of respondents. Although the blame may be misaligned, it was well shared with Burger King receiving 58% and Nickelodeon receiving 42% of the blame. In terms of the advocacy group's reaction to the commercial, Question 8 asked about the respondents' perception of social responsibility where more than one third (38.89%) felt the decision to pull the commercial from Nickelodeon was appropriate and 30.55% felt additional, stronger action should have been taken.

Figure 2. Male versus Female Target Perceptions



When evaluating data points, it is interesting that the individuals who found the commercial to be controversial (38.9%), also found it to be funny (39%) and effective (75%). Although the findings don't show correlation between these items, the data is relevant to the dilemma of the marketing industry. Marketing decisions are made to take risks to get the attention of the consumer. Sometimes the decisions wreak havoc on the nerves of corporate management, the boards of directors, and the investors.

Ultimately, the measure of success is determined by the cash flows generated by the campaign. However, even kitchen table conversations in small towns can be important in developing a brand image and relevant to developing the next generation of loyal customers.

RECOMMENDATIONS

There is great interest and value in continuing to study this area. As American society becomes more eclectic, our social awareness grows and our cultural commingling continues, customer segmentation may become less dependent on racial and cultural variables and focus more directly on gender, income levels, and age. Even so, care should be taken when marketing directly to any segment.

Future study in this area should include a larger group of individuals, ideally in various customer segments for analyses of the effect of the targeted marketing. Further research on the viewer's demographic status and their perception of the

images used in the marketing effort may reveal considerable information in regards to how each group relates to the commercials noted. Surveys and interviews with random focus groups could be useful in future studies, including an opportunity to cast a wide net and obtain a tremendous cross section of society.

Similar studies may provide an opportunity to further examine the commercials on site and give respondents an opportunity to watch and report their feelings immediately with the images fresh on their minds. Ideally, these groups could be held in multiple locations to ensure a diverse sampling of demographics. Additionally, it would be informative to evaluate several different commercials and receive feedback as to what the test group feels as effective, appropriate and/ or offensive advertising.

CONCLUSION

Finding the balance between customer segmentation and discriminatory marketing is a challenge that will continue to be the goal of the marketing industry. As our culture continues to find new subsets of society to protect from a continuing barrage of unethical practices, the industry is challenged with finding messages that are relevant and meaningful to the youth market without offending society as a whole. The Burger King advertisement is an example of this challenge.

Customer segmentation is an important part of developing effective marketing and advertising; however care must be taken in the marketing to connect with any of the protected sectors, especially with children. Our society has become very tolerant and accustomed to seeing sexual innuendos, images, and activity in places where it really has no relevance.

Unfortunately, questionable images can be found everywhere: billboards, TV commercials, print, and magazine advertising. However, this kind of unethical marketing practice is a slippery slope; as individuals are desensitized by these images, the more overt and salacious advertising has to be to get the attention of the consumer.

While the controversy surrounding the commercials examined in this paper seems to have blown past, the information gathered in this study provides insight into the dilemma faced by the marketing industry. Controversy often is the greatest accomplishment of public awareness. Finding a way to catch the attention of the public, without risking the image, credibility, and ultimately the profitability of a company or brand is the epitome of excellence in the game of marketing.

Even though these commercial certainly fueled the flames of the child advocacy groups, time will tell if Burger King found the right mix or if this will come to be an example and case study of ethical marketing for future generations of marketing students.

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