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2018 Summer AMA Conference

Big Ideas and New Methods in Marketing

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Foreword

Hello, and welcome to the 2018 Summer AMA Conference! We're glad you're here.

As you're likely aware, this year's theme is "Big Ideas and New Methods in Marketing." This theme was selected to highlight a few key points: first, that new and important ideas vitalize our field and that the formulation and debate of these ideas is, in many respects, the *raison d'être* of academics within the larger marketing discourse. Without disregarding the importance of refining and developing existing paradigms, our role as academics demands that we play a role in stimulating debate and discussion on "hot," even contentious, topics. Such debates energize our field and position us on the leading edge of marketing thought. The second part of this theme is meaningful as well: our existing methods, as fruitful as they have been, are inherently limited in their ability to address many important questions that are important to marketers. As researchers, we are almost always in the position of the drunk searching for his keys under the street lamp, not because that is where we remember leaving our keys (i.e., not because that is where the important questions lead us), but because that is where the light is (i.e., we select questions that our methods allow us to address). As such, the search for new methods is a perpetual quest to bring new questions within our reach. We are excited by the many new methods that are being developed and implemented by marketing academics and are happy to see these represented throughout the conference program. We hope that as you attend the sessions, you find inspiration to think big thoughts and to use or develop new methods in your own work.

We'd like to highlight a few key sessions and events:

- The poster session will be held during the Friday evening welcome reception. Please be sure to visit the posters to see a host of exciting works-in-progress.
- The conference program includes a variety of special sessions on hot and important topics in marketing. These include sessions on digital marketing, customer experience, future directions, mentoring of junior faculty, cross-functional and mixed-methods research in marketing, cutting-edge methods, consumer financial decision making, international marketing, socially responsible marketing, pricing, higher education marketing, and buyer-seller relationships, among others.
- Finally, our awards lunch, including a presentation of this year's best paper award, will take place Saturday between 12:15 P.M. and 1:45 P.M.

We are thankful to our track chairs and to conference reviewers for their willingness and responsiveness in helping us to process submissions. We also appreciate those who submitted proposals for special sessions and panels. Reviewers and special session organizers are to be commended; without them, we would not have such a high-quality, thought-provoking conference. We also recognize and thank all those who submitted their research work; their research is the primary reason we convene this conference!

Finally, we are thankful to the Matt Weingarden and Monica Gerhardt at AMA and to the AMA academic council, which guided us throughout the process of organizing the conference.

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Innovation

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Pricing

External Reference Price and Participative Pricing: The Role of Product Category

Pilsik Choi, Austin Peay State University

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Selling and Sales Management

Do Salespeople Invest More or Less Effort on Selling New Products? The Importance of Motivation and Customer Relationships

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Alexander Haas, Justus-Liebig-University Giessen

Understanding and Managing the Customer Experience

The CX Scale: Towards a Holistic Measure of Customer Experience

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Buyer–Seller Relationships

Turning Pledges into Outcomes: The Effect of Ongoing Support on Franchise Chain Growth

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Best Paper in Conference

External Reference Price and Participative Pricing: The Role of Product Category

Pilsik Choi, Austin Peay State University

Fei L. Weissstein, Bowling Green State University

Peter Andersen, University of Scranton

Buyer-Seller Relationships

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The Effect of Inter-Firm and Intra-Firm Network Capabilities on Firm Performance and Corporate Brand Equity

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Keywords: *inter-firm network capabilities, intra-firm network capabilities, customer orientation, firm performance, corporate brand equity*

EXTENDED ABSTRACT

Research Question

According to the literature, customer orientation and inter and intra organizational networks are some of the most important capabilities which can improve firm performance. Based on dynamic capability theory, capabilities permit firms to create a sustainable competitive advantage, but we do not know how these capabilities interact with each other. Previous studies examine the relationship between Inter-firm network capabilities and performance; however, the effects of intra-firm networks and customer orientation capabilities on firm performance and corporate brand equity have not been explored. Hence, the research ask and try to address the following questions:

How can (1) the relationship between the focal firm and suppliers, (2) the relationship between the focal firm and its customers and (3) the interplay of different functions inside the focal firm improve the firm performance and corporate brand equity?

To address these questions, we provide nine propositions:

- P1. Long-term relationship with suppliers has a positive effect on customer responsiveness
- P2. Effective network structures has a positive effect on customer responsiveness.
- P3. Communication between buyers and supplier has a positive effect on customer responsiveness.
- P4a. Intra-firm relationship capability has a positive effect on customer responsiveness.
- P4b. Intra-firm relationship capability has a positive effect on firm performance.
- P5. Customer orientation has a positive effect on customer responsiveness.
- P6. Customer sensing has a positive effect on customer responsiveness.
- P7. Customer responsiveness has a positive effect on firm performance.
- P8. Firm performance has a positive effect on corporate brand equity.

Key Contributions

The research contributes to the literature by shedding light on the importance of the intra and inter network capabilities and customer orientation for managerial practice. With increasing competition intensity, firms' managers need to find effective ways to satisfy their customers' needs. This study indicates how strategic capabilities can improve the firm performance and corporate brand equity. The implication of these findings lies in a better understanding how concentrating on strategic

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capabilities affect the firm performance through the configuration of their underlying competences.

From a theoretical point of view, the model predicts that the focal firms with both kinds of capabilities create the best opportunity to performance. Furthermore, a firm with a well-developed customer orientation may not fully exploit the benefits when coordination between internal functions and external partners is not appropriate. Vice versa, a firm with inter and intra network capabilities could not capitalize its assets without fully understand the knowledge of customers' needs and trends. Consequently, the firm needs to apply all of its capabilities to enhance its performance and brand equity (Trainor, Rapp, Beitelspacher, and Schillewaert, 2011).

From a practical point of view, for a manager in a firm with a strong customer orientation, there is a real advantage of building stronger supplier relationships; these relationships will pay off in terms of the firm's performance. Firms with strong relationships with suppliers could obtain a real advantage with developing a customer orientation; this orientation could not only improve the firm performance and brand equity but also feed back into the supply chain efficacy (Ziggers and Henseler, 2016). Hence, organizations with improving their intra and inter firm capabilities and dedicating enough resources for developing customer orientation could expect to have powerful brands in comparison with their rivals.

Summary of Findings

This research identified some interesting facts relating to the relationship between intra-inter network capabilities, cus-

tomers' orientation, firm performance, and corporate brand equity. The propositions that network and customer orientation capabilities will very likely affect the firm performance and corporate brand equity were established through the study. Some key ways in which firm performance is improved by the intra-inter network capabilities and customer orientation:

Customer orientation is vital for all companies because it could lead to customer satisfaction as a central purpose of any business. Customer orientation approach helps companies to obtain real-time information, customer needs, and knowledge of customers. However, using this knowledge needs to have connected departments inside organization and having effective communications with other partners outside the focal firm to improve firm performance and corporate brand equity (Kirca et al., 2005; Liu et al., 2013). Hence, for having coordination inside and outside the company; first, the firm needs to have intra-firm network capability to align different functions, such as, R&D, marketing and product development inside the organization. It facilitates beneficial interdependencies among a firm's functions and helps build collaborative relationships among departments. Second, the firm needs to have inter-firm network and customer orientation capabilities to facilitate the coordination with suppliers and enable firm to have better communications with suppliers and thereby be more responsive to customers' demands, which could lead to better performance and corporate brand equity (Ziggers and Henseler, 2016).

References are available on request.

Linking Buyer-Supplier Information Sharing to Financial Performance: Evidence from B2B Buyers' Perspectives

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Keywords: *B2B buying, performance, opportunity recognition, SD logic*

Description: *The research investigates when information sharing between buyers and suppliers increase buyers' performance and when not.*

EXTENDED ABSTRACT

Research Question

Today, the individual buyer has to contribute to their organization's financial performance by adding value in addition to simply reducing costs. Information sharing between the individual buyer and marketing and salespeople is proposed to be a key element for superior financial performance. Based on information shared, buyers recognize opportunities that contribute to their financial performance. In line with SD logic, marketing and sales articulate value propositions but value is defined by the buyers alone. Despite the increased relevance of the individual buyer, prior research widely neglects the crucial information sharing—financial performance relationship from the individual buyer's perspective. Our research questions are (a) why and (b) when does buyers' engagement in information sharing increase buyers' financial performance?

Method and Data

Because opportunity recognition is a cognitive creative process, we draw on creative cognition theory to develop a conceptual model of the relationship between information sharing and financial performance, which also includes two important moderators (i.e. supplier integration and value demandingness). We test our conceptual model using hierarchical linear modeling applied on survey data from 149 B2B chief buyer—buyer dyads.

Summary of Findings

Results show an indirect relationship between information sharing and financial performance mediated by creative ideas, and that relationship to be contingent upon the buyers' organizational factors. Specifically, supplier integration strengthens the information sharing—creative ideas relationship but weakens the creative ideas—financial performance relationship. In contrast, value demandingness attenuates the information sharing—creative ideas relationship but strengthens the creative ideas—financial performance relationship.

Key Contributions

Our theoretical contribution is threefold. First, we show that the indirect relationship between information sharing and financial performance, mediated by creative ideas, depends on organizational factors. Second, we contribute to opportunity recognition research by linking creative ideas to financial performance. Third, we add important insights from the buyer perspective to the value and sales literature, and respond to calls for research on B2B buying behavior, one of the top three research priorities of the Institute for the Study of Business Markets.

References are available on request.

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Franchisees' Perception of Control Mechanism, Organizational Identification, and Satisfaction

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Keywords: *franchisee satisfaction, control mechanisms in franchise systems, organizational identification*

EXTENDED ABSTRACT

Research Question

What is the relationship between franchisors' choice of control for their franchise network and satisfaction of franchisees of this network? What is the mechanism behind this relationship? What are the boundary conditions for this relationship?

Method and Data

The sample was based on multi-unit franchising system in India, a skin care major with franchised outlets. The data was collected from 123 single unit and multi-unit franchisees. Multigroup analysis was performed in SmartPLS 3.

Key Contributions

This research shows a mechanism and boundary condition for the relationship between franchisors' choice of the con-

trol mechanism for their network and satisfaction of franchisees of this network. This research also applies organizational identity work in the context of a franchisor-franchisee relationship.

Summary of Findings

This research shows a partial mediation effect of organizational identification on the relationship between franchisor's choice of the control mechanism for its network and satisfaction of franchisees of this network. This research also shows a moderation effect of classification of franchisees (single-unit vs. multi-unit) on this relationship.

References are available on request.

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Relationships Between Power, Fairness, and Governance Mechanism in Buyer-Supplier Relationships Using Response Surface Approach

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ABSTRACT

Power imbalance is inevitable in supplier chain relationships. In this study, we integrated buyers' and suppliers' data and reexamined the relationship among fairness, power and governance mechanisms in buyer-supplier relationships from a dyadic perspective. Results demonstrated that distributive fairness is positively related to referent power use of the powerful party, trust enhancement and contract implementing of the weaker party; and perception congruence is beneficial for effective functioning in power-asymmetric relationships, manifested as lower power use when both parties have aligned perception. Referent power use partially mediates the relationship between buyer-supplier distributive perception congruence and governance mechanisms. Contributions are also discussed.

Keywords: *buyer-supplier relationship|dyadic analysis|power use|distributive fairness|response surface approach and polynomial regression*

Power imbalance is inevitable in supply chain relationships. For example, the powerful online retailer Jingdong in China requested its suppliers to coordinate with the 6.18 Anniversary Festival by lowering wholesale prices. Alibaba raised the platform fee for small online stores in terms of its nationwide, even world-wide sales network, and convenience and operability of the sales platform. The owners of small online stores had to accept the strict clauses even if they had tried to take actions against Alibaba's behavior. The powerful supply chain member exploits the weaker one through weaker one's one-way inseparability or dependence. Power is derived from dependence structure (Emerson, 1963) and differences in resources (Preffer and Salanick, 1978), and plays an important role in building trustful and cooperative relationships. Previous research find that fairness restrains the use of coercive power by creating right cooperative

atmosphere, which suppresses the intention of threat, punishments from the powerful party (Cook and Emerson, 1978). Fairness is one of most important social dimensions in buyer-supplier relationships (Kumar et al., 1995; Palmatier et al., 2006; Brown et al., 2006), derived from social comparison. Investigating relationships between other kinds of fairness and power is meaningful.

However, both power advantage and fairness perception is relative, and most of the previous studies from one-side view (buyer's or supplier's) cannot provide a comprehensive understanding on this construct. To get a deeper understanding of power, dyadic perspective is needed. Extant literature in marketing channel have also long suggested dyadic perspective in buyer-supplier relationship research. Scholars (Luo, 2007; Liu et al., 2012; Anderson and Weitz, 1992;

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Kumar et al., 1995) emphasize the importance of two-sides views and suggest investigating the influence of perceptual convergence within the dyads on outcome variables, to avoid single-party bias towards perceived fairness or dependence perception in dyadic exchanges. Our study aims to fill this gap and adopt the dyadic approach to analyzing fairness perception congruence between buyer and supplier and its subsequent influence on power use and governance mechanisms.

In the following sections, we firstly review the concepts, and relationships of fairness perception congruence and governance mechanism. Then, we present the polynomial regression and response surface method including equation building, mediation analysis, three-dimensional figure drawing and explanations. Finally, we present the results, and discuss the theoretical contributions, managerial implications, and future research directions.

Conceptual Framework and Hypothesis Development

We reviewed the multi-disciplinary literature related to power, fairness, governance and perception differences, developing the conceptual framework shown in Figure 1. In the following sections, we discuss its components, and develop hypotheses about how they are connected.

Power

Power is often used to induce desired behaviors from the weaker party. In buyer-supplier relationships, power is supposed to be based on the relative position of buyers and suppliers in a specific dyad. French and Raven (1959) divided the five types of power sources into mediated and non-mediated, which is the widely used in supply chain power research. Mediated power sources include coercive, and rewards, imposing direct influence on and intended to evoke a behavioral change from the power target. Non-mediated power sources include expert, referent and legitimate, serving as informational stimuli (values, norms, culture, non-manipulative) and occurring as a natural part in buyer-supplier exchanges without the intention to change the behaviors and attitudes of the power target (Benton and Maloni, 2005; Chae, Choi and Hur, 2017). Knowledge on the effect of power sources has not been cumulative, and consistent conclusions are far from being reached. Extant studies can be divided broadly into three groups. One group combines coercive and rewards together and argues that mediated power has negative or insignificant influence on buyer-supplier relationships (Brown et al, 1995; Pulles et al., 2014; Hoppner et al., 2014; Palmatier et al., 2006). In contrast, the second group contends that coercive and rewards have opposite impacts and they should be examined separately (Zhao et al., 2008; Benon and Maloni, 2005; Hoppner et al., 2014; Nyaga

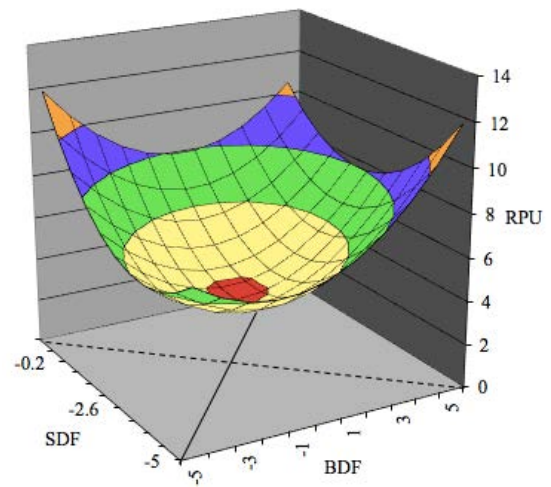


Figure 1a

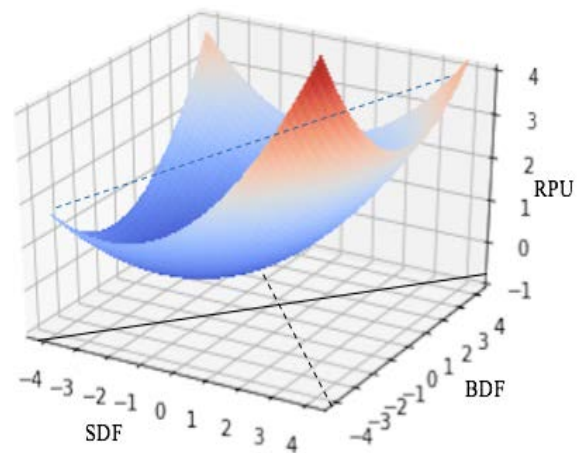


Figure 1b

et al., 2013). Finally, the third group agrees that non-mediated powers sources have positive influence (Benon and Maloni, 2005; Chae, Choi and Hur, 2017; Nyaga et al., 2013).

The ownership and control of critical resources by one party creates dependence of the other party (Caniels et al, 2017). Resource unbalance determines dependence asymmetric structure and in turn determines power structure in buyer-supplier relationship. Social exchange theory suggests that exchanges exist when they create benefits, rewards or gains. Therefore, buyers and suppliers facilitate interactions for benefits even if the relationship is dependence-asymmetric. Unbalance of resource is predetermined in specific buyer-supplier relationship and the situation is not possible to improve in a short time.

For the more dependent party, power asymmetry does not necessarily cause conflict because power brings stability and the powerful party generally has higher reputation, more expertise and resources, which extinguish the weaker one's motivation to resist (Nyaga et al., 2013). For example, Wal-Mart is much more powerful than any of its suppliers. However, it provides the suppliers with expertise and information on consumer insights which guides suppliers' process and deployment, although it coerces the suppliers to reduce wholesale price and develop specific SKUs (Cowan et al., 2015; Nyaga et al., 2013). The weaker firms try to identify with the powerful firms or leaders to gain spillover effects such as leveraging its brand name (reputation spillover) (Kang, Mahoney, and Tan, 2009).

Fairness Perception

Fairness is a kind of subjective perception (Luo, 2005). This construct has long been studied in organizational research (Homans, 1961; Adams, 1965), fundamental for social interactions and exchanges (Liu, Huang, Luo et al., 2012; Liu and Wang, 2016). Frazier (1983) firstly introduced the fairness concept into marketing channel research. Fairness plays an important role in developing, maintaining, and improving channel relationships (Frazier, 1983¹; Kumar et al., 1995²). Fairness is considered as one of the major issues used to explore buyer-supplier governance and its outcomes (Liu, Huang, Luo et al., 2012; Huang, Cheng, and Tseng, 2014). Buyer-supplier relationships are subjected to fairness perceptions derived from social interactions and communications (Liu et al., 2012). Extant research have examined the effect of fairness on long-term orientation, satisfaction, trust (Scheer et al., 2003), continuity (Anderson and Weitz, 1989), relationship quality (Kumar et al., 1995), resource sharing (Griffith et al., 2017) and transfer (Liu and Wang, 2016), opportunism (Luo et al., 2015; Trada and Goyal, 2017). Fair relationship enables both cooperative parties to leverage each other's capabilities and resources and achieve better performance. Buyers or suppliers even sacrifice their own margins for the benefit of their counterparts when considering fairness (Cui Raju and Zhang, 2007; Scheer et al., 2003³). Cui et al (2007) highlight the importance of fairness concerns in channel coordination. However, perceived unfairness is poison to distribution channel relationships, causing tensions between partners, directly destroying relationships, aggravating the negative effects of conflict and opportunism, decreasing effectiveness of contract governance (Samaha, Palmatier and Dant, 2011), and leading hostility behavior (Kaufmann and Stern, 1988). Unfairly treated members even make retaliations to restore equity.

Fairness is considered to be an important part of relationship marketing (Palmatier et al., 2006). It has been generally defined as a three-dimensional concept, containing distributive, procedural, and interactional fairness. Distributive fair-

ness refers to whether own ratios of outputs to inputs is fair compared to that of its partner (Adams, 1965), focusing on the allocation of outcomes. Procedural fairness is defined as perceptions about decision making processes or procedures involved with each party's gains and interests (Luo, 2007). Distributive and procedural fairness stand for the structural side of fairness (Greenberg, 1990). Interactional fairness represents the social side of fairness, concerning individuals' perceptions of the quality of interpersonal treatment and conduct during the organizational decisions and procedures (Bies and Moag, 1986; Luo, 2007, Liu et al., 2012). The focus of this research is on distributive fairness, examining the effects of buyer-supplier perception congruence in distributive fairness on governance mechanisms. Other dimensions of fairness are not elaborated here. In strategic alliances, Luo(2007) defines distributive fairness as "the extent to which inter-party sharing of the rewards from cooperation is fair in view of each party's contribution, commitment, and assumption of responsibility"(Luo, 2007, p646).

Perception Difference

Past literature suggest that buyers and suppliers have perceptual differences on relationship structure, performance, power usage, relationship quality, etc (Nyaga, Whipple, and Lynch, 2010; Nyaga, Lynch, Marshall et al., 2013; Chae, Choi and Hur, 2017). Perceptual differences might create dissatisfaction, conflict, disproportionate efforts and relationship termination, causing negative effects on buyer-supplier relationships (Anderson and Weitz, 1992; Nyaga et al., 2013).

Chae, Choi and Hur (2017) investigated the moderating effect of non-mediated power and confirmed that non-mediated can be used as symbols of capability and status. However, the buyer and supplier might generate different perceptions on non-mediated power and misunderstandings or "power dissonance" are created (Flynn, Gruenfeld, Molm et al., 2011). Aminoff and Tanskanen (2013) examined buyer's and supplier's perception congruence in attraction based on dyadic multiple case analysis and shed light on the importance of perception congruence in preceding relationship development. Carsten and Kumar(2005⁴) found out that although both of buyers and suppliers obtain benefits through cooperation, the supplier has greater feelings of unfairness.

In fact, each party in buyer-supplier relationships assess fairness from its own perspective (Liu et al, 2012). Due to differences in goals, abilities, and information collecting, sourcing, processing, discrepancy or disparity of fairness perceptions might occur (Luo, 2005⁵).

Liu et al (2012) point out that the level of congruence between a buyer and a supplier on distributive fairness will predict their behavior because perceived fairness is a robust predictor of reactions (Luo, 2005).

Drawing on social psychology theory, Flynn et al (2011) reviewed the organizational studies on power and pointed out a fundamental question that whether the consequences of feeling powerful is distinct from that of being powerful. They called on more research on power dissonance where objective measures of power contradict a focal actor's beliefs about his or her potency. In the same vein, in buyer-supplier relationships, beliefs on the strength of power, or fairness varies between buyers and suppliers. Dyadic examination is necessary.

Distributive Fairness Perception Congruence and Power Use

Firms enter into relationships for acquiring desired resources (Barney, 1991), reducing cost (Williamson, 1991) and gaining competitive advantage. They exchange resources in the relationships for survival, which creates dependence on other parties (Preffer and Salanick, 1978). According to power-dependence theory (Emerson, 1962), "the power A over B is equal to, and based upon, the dependence B upon A." Dependence on the other party leads them to have power advantage on you. Inequalities in dependence create power imbalances. In buyer-supplier relationships. Given differences in size, expertise, contract structure, resources and knowledge (Nyaga et al., 2013), dependence and power asymmetry both exists. The dependence literature suggest that in dependence-asymmetric relationship, less dependent party might exploit its position and exert coercive power or non-coercive power to evoke a change in more dependent party's behaviors (Gaski, 1984). The five types of power sources (French and Raven, 1959) include expert, referent, legitimate, reward, and coercive. The first four are non-coercive, without damaging effects on the more dependent party. Coercive power use by the powerful party causes tensions and conflicts between buyers and suppliers, damaging long-term relationship development. Extant literature has confirmed that coercive power has negative impact on trust building, satisfaction, commitment, cooperation (Benton and Maloni, 2005). Instead, expert, referent, reward power has positive effects on the relationship development (Benton and Maloni, 2005). When the powerful party exploits coercive power, like punishments, penalties, enforcements of policies and procedures, the weaker party has not choice but to comply, moreover, they are not likely to make long-term commitments to the relationship either. However, the weaker party might choose to stay in the relationship for two reasons. On one hand, it needs the strategic resources from the powerful party for survival and making a living from resource-based view (Barney, 1991). On the other hand, it

can still gain benefits from the relationship as long as the exchange is continuing and profitable, such as growth opportunities, monetary assets under the framework of social exchange theory (Blau, 1964; Cowan, Paswan, and Steenburg, 2015⁶). Initially, firms start a relationship with others for a simple purpose of resources. Firms form inter-organizational relationships for value creation which can be achieved on their own. As exchange relationships continue, some of the inter-firm relationships are likely to turn into partnerships where trust and commitment is built, from transactional to relational. In terms of social exchange theory, relationships are changing and dynamic. Each parties continuously evaluate benefits received and costs they expend from the relationship to decide whether to further commit or dissolve. Experiences during business interactions determine the relationship's future. Carsten and Kumar's (2005) findings that, in power-asymmetric relationships, suppliers might be willing to make concessions to powerful and smarter retailers in the hope that the relationship might help to expand market share and increase learning experiences, accepting inequity in economic benefit distribution as the cost of doing business.

Fortunately, distributive fairness might refresh the situation. Cook and Emerson (1978) argued that distributive equality or fairness serves as a constraint on the use of power, restricting the exploitation of the dominant party in the dyads. Previous research have confirmed that distributive fairness benefits the buyer-supplier relationship in increasing satisfaction (Yilmaz et al., 2004; Brown, Cobb, and Lusch, 2006) and relational behaviors (Griffith et al., 2006; Liu et al., 2012), improving channel coordination (Cui et al., 2007), facilitating performance (Luo, 2007), building trust (Hu et al., 2007; Li, 2010), relationship quality (Kumar et al., 1995), and mitigating conflict (Brown et al., 2006). However, most of the studies on distributive fairness are conducted from a one-side view constrained by the difficulty of dyadic data collection and appropriate analytic method (Villena and Craighead, 2017; Roh, Whipple and Boyer, 2013⁷; Liu et al, 2012). Liu et al (2012) have verified that high mutual perceptions of distributive, procedural, interpersonal and informational fairness between buyers and suppliers from household appliance industry are significantly and positively related to relationship performance and coupling behaviors in buyer-supplier relationships, including knowledge sharing, continuous commitment, and relationship investment, except the positive relationship between interpersonal fairness and knowledge sharing. Given that fairness works only when both parties perceive its existence, it is important and necessary to understand mutual fairness perceptions in dyadic buyer-supplier relationships. Next are the detailed explanations on how distributive fairness works to mitigate negative influence caused by power asymmetry.

Usually, business exchange yields economic gains, but the gains may not be equally shared among partners. The powerful party might even appropriate greater values at the expense of weaker parties from the relationship. Fairness perception is related to resource reallocation, whether tangible or intangible, within the relationship. It works as relational norms constraining the exercise of power (Cook and Rice, 2003; Hopper, Griffith and Yeo, 2014), to ensure effective functioning of the relationships. In buyer-supplier relationships, benefits and rewards gained from the exchange relationship are distributed between the buyer and supplier. The benefits are tangible or intangible. The former include monetary assets, reduced cost, economies of scale, access to particular resources from other parties, etc. The latter include enhanced image, confidence, systematic service, advanced experiences, etc (Cowan et al., 2015). Unequal sharing of benefits leads to feelings of deprivation. The more trust the weaker party put in the powerful party, the more unfairly treated it feels. If the benefits are distributed equally, it is likely to build a successful business relationship (Cowan et al., 2015), and both buyers and suppliers will perceive distributive fairness. These benefits make up for the psychological uncomform of the weaker party caused by resource unbalance and power usage by the powerful party. The weaker party might receive benefits beyond expectations. As a result, the weaker party is willing to trust the powerful counterpart even with high likelihood of opportunistic behaviors (Kumar, 2005) and follow the rules, principles, policies, or arrangements imposed by powerful party. For the powerful party who feels distributive fairness, benefits obtained from the relationship satisfy its interests-maximizing needs and it does not have cause to waste resources and efforts on enforcement therefore, it reduces the level of power use. In the same vein with intra-firm organizations, when two entities share similar values, they interpret and classify interactions in a similar way (Cole, Cater and Zhang, 2013). For buyers and suppliers, when a high-distributive fairness perceived buyer is matched with a similar high-distributive fairness perceived supplier, a similarity in motivations for relationship maintenance and continuity facilitates a cooperative atmosphere where commitment to the relationship is enhanced and power usage is definitely minimized. Therefore, if the buyer and supplier have agreement in distributive fairness perception on the relationship, power use by the powerful party will be minimized.

However, fairness perception is comparative and varies with different parties. When there is unbalanced agreement in distributive fairness perception between the buyer and the supplier, it seems that the weaker party might seek to rebalance power or take actions against this situation, where the powerful party try to exert positive influence on the weaker party to restore its commitment, ways like sharing values or providing professional training (referent power use), under the

condition where the weaker party's perception of distributive fairness is lower than the dominant party's (Zhao et al., 2008; Cowan et al., 2015). However, when the dominant party feels lower distributive fairness, it will exercise power more frequently and intensively to maximize its own benefits, fulfill its fairness expectations and reoccupy its dominant position.

Congruence describes the nature and extent of differences in cognitions between parties. In this study, we investigate congruence of fairness perception between buyers and suppliers. A few scholar has tried to explore perception congruence, in attraction between supplier and customer (Aminoff and Taniskanen, 2013), in service quality between consumer and management (Parasuraman et al., 1985), despite that research on congruence remains scarce in supply chain field. Therefore, here we also use congruence to measure agreement in buyer's and supplier's fairness perception. One of the aims of the dominant party exerting power is to get counterpart's compliance and direct the relationship in the right path, whether coercive or non-coercive power. Here in this study, we focus on referent power, one kind of non-coercive and non-mediated power, which is related to identification with the powerful party's goals, values, and norms (Morgan and Hunt, 1994; Zhao et al., 2008). The weaker party chooses to be closely associated with and admire the powerful party. In other words, referent power use of the powerful party serves as guidelines or examples in the power-asymmetric relationship. If the weaker party is treated unfairly, it will not continue to admire the powerful party and the referent power no longer works for the weaker party (Schleper, Blome, and Wuttke, 2017). We posit that:

Hypothesis 1: The congruence of buyer-supplier distributive fairness perception is negatively related with referent power use of the dominant party.

Hypothesis 2: The incongruence of buyer-supplier distributive fairness perception in either direction is positively related to referent power use of the dominant party.

Besides, as both the buyer' and the supplier' distributive fairness perception increase, which notes that channel benefit allocation satisfies everyone's needs and benefits received exceed the investments in the relationship, the weaker party will have confidence in the powerful party and stay in the relationship for inter-firm success. In return, the powerful party will exert more influence, sharing knowledge, skills, or expertise with the weaker party, and initiate bonding tactics for relational development. Therefore, we posit that:

Hypothesis 3: Referent power use of the powerful party will increase as both buyer' and supplier' distributive fairness perception increase simultaneously.

The Mediating Role of Power Use

Power plays a central role in supply chain relationships. Differences in power are inevitable in buyer-supplier relationships. Even in relationships characterized by trust and commitment, it is possible to see asymmetric power structures (Kumar, 2005). Extant literature has investigated the negative effects of power on relationship commitment (Brown et al., 1995; Benton and Maloni, 2002, 2005), satisfaction (Benton and Maloni, 2005), adaptive and cooperative behavior (Nyaga et al., 2013), fairness (Kumar et al., 1995; Hoppner et al., 2014), trust and resource allocation (Pulles et al., 2013), etc. However, the valence of how power influences the buyer-supplier relationships is confusing (positive, negative or insignificant). Zhao et al (2008) found that coercive power is positively related to instrumental commitment, which is based on compliance and short-term calculation of benefits and costs (Brown et al., 1995). Kumar (2005) implied that there is likely to some positive effects of coercive tactics, at least under some conditions. Chae, Choi and Hur (2017) based on cognitive evaluation theory, confirmed that coercive power use is likely to be considered as negative feedback to power targets, but the power targets might regard the feedback as a signal for improvement and devote more efforts to the relationship (Finkelstein and Fishbach, 2012⁸), which attenuates the negative effects of coercive power. The reasons for the contrasting valence are the different nature and meanings of power source and culture (Zhao et al., 2008). Here we focus on the referent power and investigate its effect on governance mechanisms in buyer-supplier relationships.

The weaker party admires the powerful party's business practice and is willing to accept its influence. In addition, researchers from organizational psychology demonstrated that exposure to powerful others can make themselves feel more powerful (Goldstein and Hays, 2011), increasing the stability of relationships. In any exchanges, contracts specify responsibilities and contributions of each firms, gains from the exchange, and solutions to different contingencies (Brown et al., 2006). The weaker party takes the responsibility of implementing contracts voluntarily for the sake of accumulating experiences from the powerful ones and guaranteed benefits. On the other hand, trust refers to confidence in exchange partner's reliability and integrity (Doney and Cannon, 1997). Hingly (2005) contends that coercive power is antithesis of trust and is considered as alien to effective marketing from the view of relationship marketing. Benton and Maloni (2005) found that in asymmetric relationships,

the powerful party's exploitation of the supply chain may lead to dissatisfaction and underperformance of the weaker one, thus hurting the powerful party, which only brings internecine results. However, Cuevas, Julkunen, and Gabrielsson (2015⁹) compared two cases of power symmetric and asymmetric buyer-supplier relationships, and found that even in power asymmetric relationship, trust can also be built on the base of goal congruence while antagonistic relationship exists between power symmetric parties if their goals are inconsistent, contrary to earlier work which suggests that power symmetry fosters the development of trust (Anderson and Weitz, 1989; Ganesan, 1994¹⁰). Moreover, power has the potential to be a tool to promote integration of the supply chain and empower higher levels of performance. Wilkinson (1979) mentioned that increased control might lead to satisfaction for the target firm but the degree of control should be taken into consideration. We postulate that, when the powerful party exerts referent power, the weaker party under control still keeps trust because its short-time loss is expected to be compensated by higher sales growth and market share as long as the exchange relationship maintains. In sum, the weaker party complies to the dominant party's demands and accumulates trust over time. Therefore, we posit that

Hypothesis 4: Use of referent power of the dominant party induces voluntary contract enforcement and increased trust from the weaker party.

In Liu et al's (2012) study, mutual fairness perception has significantly positive effects on the coupling behaviors, including knowledge sharing, continuous commitment and relationship investment, which are generally used as relational governance mechanisms (Wang, Wang, and Jiang et al., 2016). Earlier findings indicate that fair climate in buyer-supplier relationships suppresses opportunistic behaviors, is beneficial to build and preserve trust with the partner (Luo, 2007; Kumar et al., 1995), fundamental for buyer-supplier cooperations. Specifically, perceived distributive fairness means one party's output-input ratio equals to its expectations, and then its opportunistic intention is decreased when it's greatly fairly. The weaker party decides how far the powerful party influence it (Zhao et al., 2008). As a result, for the weaker party, its acceptance of referent power influence is increased, ex-post monitoring cost is reduced (Williamson, 1975) and contract enforcement intention is enhanced.

Hypothesis 5: Buyer-supplier distributive fairness perception congruence has positive indirect effect on contract enforcement and trust through referent power.

Method

Data Collection

To test the proposed hypotheses, a dyadic survey of a large supplier from cellphone industry and its distributors is conducted. The supplier is a leading cellphone manufacturer, communication solution provider in China and has five research centers, once awarded as “*Customer Satisfied Brand*,” “*Customer Satisfied Appearance Design and Functional Innovation Award*,” with great brand equity and innovation capability. It has a total of 30 branches and 15000 sales agencies, covering 34 provinces and cities of China. The distributors are located in third and fourth tier provincial cities in China, responsible for selling, promotion activities, after-sale service and interactions with representatives of the manufacturer. The cellphone industry is highly developed and competitive in China, with domestic (e.g., Huawei, Xiaomi, Vivo, OPPO, etc.) and foreign competitors (e.g., Apple, Samsung, Sony, etc.) fighting for the Chinese market share (Cai et al., 2016), providing an ideal context for examining fairness, power, and governance issues in buyer-supplier relationships.

We contacted the cellphone manufacturer and got its consent and cooperation. In this cellphone distribution network, we applied simple random sampling method to select qualified distributors with an average monthly sales of more than 200 cellphones because relationships with distributors with comparatively low monthly sales are too weak to maintain. Finally, we selected 613 distributors (buyers) nationwide.

We designed paired questionnaires for the supplier and its buyers respectively. A double-blinded translation was followed when translating the items from English to Chinese, for the reason that most of our key informants speak Chinese. Satisfactory psychometric properties in Chinese business context of constructs and measures are taken into consideration during revision process. For dyadic research, parallel wording in the measures of paired questionnaires was used. Before the final sampling, a pilot study with 45 managers in Beijing and Hebei provinces using semi-structure interviews was conducted and some refinements on the questionnaires were made based on their feedback. Counterpart sales managers or representatives from the supplier, owners or purchasing managers from buyers are our key informants. We called the key informants and mailed matched questionnaires to them. On the buyers’ cover letter, we clarified that the survey was under the supplier’s help and information they provided was confidential for research purpose only. Key informants were required to return the questionnaire to the address pre-written on the pre-paid envelope. After three-rounds calls, 342 qualified dyadic questionnaires were collected, with a response rate of 55.8%, after excluding incomplete and unqualified ones.

The cellphone supplier is apparently more powerful than the distributors given its leading position in market, brand reputation, and nationwide network. Power asymmetry exists in this sample. From the collected data, informants from buyer side covered 27 provinces of China and most of them . 78.1% of them are male, 57.9% are senior managers, 30.4% are middle managers, 11.7% are from other positions, and 60.8% have at least 3-years working experience (by the time we collected data). Among informants from supplier side, 84.2% are male, 97.6% are sales managers, 2.4% in other positions, and 17.5% have at least 3-years working experience.

Nonresponse bias was assessed by comparing early and late responses from supplier and buyers (Armstrong and Overton, 1977). T-test was applied comparing size, relationships, revenues, and informants’ demographic information and no significant statistical differences were found, suggesting nonresponse bias might not be a problem. There was potential for common method bias. To control for the possibility of common method bias, we applied three methods: (1) we collected data from two sources, respectively from supplier and buyer sides. (2)The bias was tested by Harman’s single-factor test (Podsakoff and Mackenzi, 2003). We ran a factor analysis, and found no single factor accounted for the majority of the covariance (the maximum is 41.4%<50%). (3) reverse items were embedded in the questionnaires. Combined together, common method bias was not a primary concern.

Measure

Measures of each constructs were derived from previous studies. Existing mature scales were adapted based on extensive literature review. All measures used a Likert response scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Trust scales were adapted from (), contract scales from (), referent power from (Boyle, Dwyer, and Robicheaux, et al., 1992), distributive fairness from (Kumar et al., 1995). Given that we compare buyer’s and supplier’ alignment in distributive fairness perception, so both buyer’s and supplier’s perception are put in the conceptual model. Referent power was the average score of buyer and supplier data to reflect a more objective measure. We use scores from buyer’s side to present buyers’ true perception on their trust and contract enforcement under the influence of supplier’s referent power. Market environment, buyer’s last yearly revenue, firm size, relationship duration time, and dependence structure are control variables in this study based on relevant literatures.

Table 1 demonstrated items and corresponding factor loadings for each construct and, Cronbach’s alpha, composite validity, average variance extracted (AVE) of constructs. Table 2 illustrated means, standard deviations, and correlations of variables.

Analytical Method

Previous research use direct measurement or difference score to analyze dyadic data. The former is to measure the difference, asking the difference between each sides directly from one-side respondent. The latter is to measure the variable from each side and calculate the algebraic, arithmetic, or absolute difference score, combing two different construct into a single score. However, both of the two methods have the problem of oversimplification, unidirectionality, ambiguity, reducing three-dimensional relationship between independent and dependent variables into a two-dimensional relationship (Edwards, 2002; Venkatesh and Goyal, 2010¹¹). Venkatesh and Goyal (2010) point out that mental bias might emerge when using direct measurement because the respondent make the mental comparison without knowing counterpart's ideas correctly.

Liu et al(2012) follow Straub et al (2004)'s and Klein, Rai and Straub (2007) degree-symmetry approach to operationalize measures of paired data, calculating both magnitude and symmetry within the dyad simultaneously. The final score of this technique is the average of summed and quotient value (bigger one divides smaller one) of supplier score and buyer score. Similar methods, whether calculating magnitude and symmetry value of dyadic data respectively or combining them as single value, are seen as an analogy to difference score approach, still existing the problem of information loss and oversimplification. Spline regression is also used to deal with dyadic data, comparing effect size of buyer's and supplier's perception on outcomes (Kumar and Steenkamp, 1998), but limited in assumed linear functional form and restricted conditions, offering no further managerial implications. In Kumar and Steenkamp's (1998¹²) research, the authors applied spline regression and operationalized relative dependence and punitive capability as spline variables. Griffith, Hopper, Lee et al (2017) operationalized supplier inequity and relative dependence as spline variables to capture the valence and degree of the two variables. For example, positive supplier inequity (PSI) reflects the degree of inequity when the supplier received more than it provided in the buyer-supplier relationship, while negative supplier inequity(NSI) reflects the degree of inequity when the supplier provided more than it received in the relationship. Edwards and Parry (2018) recently published a paper and gave a comprehensive description on this method.

In this study, we apply polynomial regression and response surface approach to analyzing the dyadic data because the analytical method yields comprehensive nonlinear results and provides three-dimensional visual description although rich insights have emerged from the relationship among fairness, power use, and governance using absolute, or difference score method. This analytical technique is gaining inter-

ests of scholars from various fields, widely used in organizational behavior (Edwards and Parry, 1993; Edwards and Cable, 2009; Shanock et al, 2010; Cole et al., 2013; Zhang et al., 2012), information system (Venkatesh and Goyal, 2010), innovation (Lee and Joshi, 2017). Edwards and his colleagues (1993, 2002, 2009), Shanock et al (2010) have made great efforts in providing a detailed description of this approach. A few researchers in marketing channel have tried to analyze data using this method, for example dependence (Kim and Heish, 2003; Caniels, Vos, Schiele et al., 2017).

Using polynomial regression and response surface approach to examine previously mentioned hypotheses needs estimating the following equation and testing the significance of several combinations of coefficients in the equation.

$$RPU = b_0 + b_1BDF + b_2SDF + b_3BDF^2 + b_4(BDF*SDF) + b_5SDF^2 + e \quad (1)$$

Where RPU represents the mediator (referent power use), and BDF and SDF are buyer's and supplier's distributive fairness perception respectively. BDF², BDF*SDF, and SDF² stand for quadratic combinations of BDF and SDF. Regression coefficients (b₁, b₂, b₃, b₄, b₅) were then calculated to plot the three-dimensional response surface where BDF and SDF were plotted on the perpendicular horizontal axes, and RPU was plotted on the vertical axis (Edwards and Parry, 1993; Shanock et al., 2010). Table 3 showed the results of polynomial regressions. Figure 2a and 2b are the response surface plotted using coefficient estimates of regressions to give a more holistic interpretation.

Mediation Test

Mediation test method was adopted from Edwards and Cable (2009). Block variable was a weighted linear composite created by combining the estimated coefficients in the equation 1. Equation 2 will show the detailed formula expression. We did two regression to obtain the mediating coefficients. Firstly, we regressed the mediator (RPU) on the block variable to get path "a." This coefficient represents the path linking the block variable to the mediator (referent power use) and is used to calculate the indirect effects in mediation analysis. Secondly, we regressed Y (trust and contract enforcement) on the mediator and block variable to get path "b" and "c." Bias-corrected CIs constructed from 50000 bootstrap samples and soble test was used to estimate the indirect effects (a * b) for Y (Efron and Tibahirani, 1993).

Results

From the results of polynomial regression, the second-order variables BDF², BDF * SDF, SDF²) explained a significant incremental variance in referent power use (0.021, *p* < 0.05), indicating a non-linear relationship between buyer-supplier distributive fairness perception and referent power use.

Hypothesis 1 predicted that referent power use of the dominant party will decrease as buyer's and supplier's perception in distributive fairness are more aligned. And hypothesis 2 predicted that referent power use will increase as buyer's and supplier's perception discrepancy in either direction increases. According to the results of polynomial regression (shown in Table 3), curvature along incongruence line (dashed line) is significantly positive (curvature = $b_3 - b_4 + b_5 = 0.317, p < 0.01$), indicating the surface along incongruence line is curved upward. In addition, both lateral shift quantity and slope of incongruence line (slope = $b_1 - b_2 = 0.032, n.s.$) are not significant, suggesting a symmetrical effect on either side of congruence line such that referent power use will increase equally either when buyer's perception is higher than supplier's or when supplier's perception is higher than buyer's. As shown in Figure 2a, the three-dimensional surface is convex, and along the congruence line (solid line), levels of referent power use is decreasing as buyer-supplier perception in distributive fairness become more aligned and levels of referent power use is increasing as their perception become more inconsistent. The surface along congruence line is symmetric and the ridge of the surface does not deviate from the congruence line, providing support for hypothesis 1 and 2. Hypothesis 1 and 2 confirmed the mitigating effect of distributive fairness perception in buyer-supplier relationships.

Hypothesis 3 predicted that as buyer-supplier perception in distributive fairness increase from low-low to high-high, referent power use increases. As also shown in Table 3, slope ($b_1 + b_2 = 0.323, p < 0.01$) and curvature ($b_3 + b_4 + b_5 = 0.187, p < 0.1$) along congruence line is significantly positive, supporting hypothesis 3. From Figure 2b, surface along congruence line shows an overall increasing trend. However, the level of referent power use decreases when buyer-supplier perception congruence increases from low-low to medium-medium, reaches to the lowest point when the congruence is at medium level, and then increases when buyer-supplier perception congruence increases from medium-medium to high-high. These surprising results will be explained in Discussion part.

Hypothesis 4 and 5 asserted the mediating role of referent power use between distributive fairness perception congruence and governance mechanisms. As shown in Table 4, the block variable for distributive fairness perception congruence is positively related to referent power use ($1.00, p < 0.01$). Calculating formula expression is shown in equation 2. Referent power use is positively related to buyer's trust ($0.18, p < 0.05$) and contract enforcement ($0.24, p < 0.01$). The effect of block variable on trust and contract enforcement when taking referent power use into consideration is significant, suggesting partial mediation effects of referent power use on governance mechanisms. 95% bias-corrected

bootstrapped confidence intervals of the indirect effects of buyer-supplier referent power use on governance mechanisms do not include zero ($[0.00 \ 0.34]$ and $[0.09 \ 0.38]$), proving hypothesis 4 and 5.

$$\begin{aligned} \text{Block variable} = & (0.177) * BDF + (0.145) * SDF + \\ & (0.126) * BDF^2 + (-0.065) * BDF * \\ & SDF + (0.126) * SDF^2 \end{aligned} \quad (2)$$

Discussion

This study explores how buyer-supplier distributive fairness perception congruence influences governance mechanisms under the influence of the dominant supplier's referent power. Relationship marketing contends that power negates cooperation and trust, however, it depends on the sources of power, the nature of power structure, and its conduct (Kumar, 2005). Cook and Emerson (1978) have verified that fairness constrained the use of power use in the dyadic relationships. However, the nature of power they studied is coercive and it can't account for all the situations due to diversity of power sources.

Scheer et al (2003) talk about that the party is more likely to demonstrate trust and commitment when outcome distribution is fair or proportional to their respective inputs. Our results showed that perceived fair environment in buyer-supplier relationships is important for trust and contract enforcement via referent power use. Firstly, fair environment is foundation for further cooperation, and facilitates the use of referent power, which exerts positive influence on the target through experience or expertise, status, and brand impact in the industry, etc, leading the dyadic relationship towards better direction. Secondly, the powerful suppliers can reduce the efforts in accumulating referent power if buyer's and supplier's perception in distributive fairness is congruent. This finding is interesting and beneficial, highlighting the importance of fairness perception congruence between buyers and suppliers. When buyers and suppliers have misaligned distributive fairness perception, the powerful suppliers have to make more efforts and exert positive and non-mediate influence to maintain the relationship. However, when buyers' and suppliers' perceptions are matched, the suppliers can save a little time and energy considering the difficulty of acquiring high-level referent power and making an impact because the influence of non-mediate power is indirect and subtle. Different from coercive power, which has immediate but compulsory results through threat of cutting down the quantity of supply or punishment on the buyer's opportunistic behaviors, referent power requires the supplier make so many efforts to accumulate experience, professional skills, and knowledge and earn reputation in respective sectors enough to convince the target. Given that both buyers and suppliers reach a consensus on distributive fairness, which means that the buyers and the suppliers are

satisfied with mutual benefit allocation and input-outcome ratio, resources and investments can be saved by the powerful supplier for other purposes. For the powerful supplier, creating a mutual equally perceived environment is helpful to mitigate further stress.

Despite the difficulty in application and observing its effectiveness, supplier's referent power is significantly positive related to buyer's satisfaction and voluntary contract enforcement. Palmatier et al (2006) argued that when firms interact with a competent partner, they receive increased value, which accordingly increase their attention on the relationship, and they are motivated to invest more to maintain and strength the relationship. From the perspective of attraction (Aminoff and Tanskanen, 2013; Hald et al., 2009), referent power owned by the supplier serves as the attractive force that inspires each parties to make voluntary efforts and create values. Supplier's accumulation of referent power benefits both parties, thus good for making commitment and creating value. Kumar et al (1995a) also implied that vulnerable parties can trust the more powerful party if the latter behaves and treated them fairly. In asymmetrical relationships, the powerful party can generate trust and commitment from the vulnerable party if the latter perceive distributive and procedural fairness in the relationship. The unexpected finding is that the height of response surface changes along the congruence line (the curvature along congruence line is significantly positive) although the overall trend is upward. Referent power use decreases from low-low to medium-medium and then increases from medium-medium to high-high. In addition, the slope for medium-to-high part is steeper. This result suggests that the powerful supplier is less likely to help the weaker buyer when the level of distributive fairness perception is low. In unfair environment, neither of the parties are willing to make reciprocal contributions or show the intention for relationship continuity.

This study advances our understanding of the relationship between fairness and power in buyer-supplier relationships. Fair environment restrains each parties opportunistic behaviors and curbs the intention of using coercive power to gain more benefits. In contrast, we found that distributive fair environment encourages the powerful party to exert referent power, increasing competitive advantage for both buyers and suppliers. Through the dominant party's use of referent power, as both parties perceive higher-level of distributive fairness, the weaker parties' trust and intention to enforce contract are stronger.

Contributions

Theoretical Contributions

This study has three theoretical implications. Firstly, fair environment in benefit and resource allocation increases

good will or intention of the powerful party to lead the bilateral relationship towards better development. Secondly, it provides insights into the mechanism of distributive fairness-governance relationship from dyadic perspective. Distributive fairness ensures both parties obtain what they deserved, and under the positive influence powerful party's referent power, the weaker party put more trust and implement the pre-established contract voluntarily. Thirdly, distributive fairness perception differences between each parties influence the strength of power use. Our findings demonstrated that when fairness perception congruence exists between the buyers and suppliers, the supplier's strength of referent power use is lower compared with incongruent situations. Fewer perception discrepancies, less power use. In power-asymmetric relationships, the weaker party choose to accept the influence and comply with the powerful party's requirements. This finding suits with China's culture. In high power-distance cultures, people are more likely to accept power inequalities and adapt to the use of power by the powerful party (Hofstede, 1991; Zhao et al., 2008). Promoting cognitive congruence mitigates the power inequalities.

Managerial Implications

In supplier chain management, buyers and suppliers should pay attention to the importance of distributive fairness, which provides basic conditions for cooperation and long-term development. Equality in resource and benefit distribution stimulates experience sharing behavior of the powerful party and is effective for building strong long-term relationships. Mutual understanding between buyers and suppliers improves effectiveness of daily marketing activities and reduces needless communications, adaptations and resources, generating more positive outcomes. Ramsay and Wagner (2009) proposed the importance of understanding partner's needs, wants and preferences for mutual adaptations. In addition, Aminoff and Tanskanen (2013) demonstrate that high mutual attraction is more beneficial than low mutual, or asymmetric attraction, essential for mutual success, emphasizing the importance of symmetry. Therefore, buyers and suppliers need spend time for enhancing high-level mutual understandings from time to time.

Conclusions

In this study, we integrated buyers' and suppliers' data and reexamined the relationship among fairness, power and governance mechanisms in buyer-supplier relationships based on dyadic data. Results demonstrated that distributive fairness is positively related to referent power use of the powerful party, trust enhancement and contract implementing of the weaker party; and perception congruence is beneficial for effective functioning in power-asymmetric

relationships. Referent power use is positively related to the weaker's party is trust and contract implementation, answering the call of Kumar (2005) for positive effects of power usage. Power imbalances are observed in all types of relationships—between countries, leaders—employees, parent—child, and supplier—buyer. Therefore, dyadic perspective in buyer-supplier research is of high significance.

Limitations

Our study examined the influence of supplier power on buyer's contract implementation and trust, and the mitigating effect of distributive fairness perception agreement in buyer-supplier relationships. However, the situations where buyers are often more powerful than the supplier often also exist (Chae, Choi and Hur, 2017; Wang et al., 2016). Relative power advantage or power symmetry exists in supply chain relationships. Future research are encouraged to investigate various forms of relative power and its subsequent impacts from a dyadic perspective. On the other hand, Kashyap and Murtha (2017) disaggregated compliance into consummate and perfunctory compliance and distinguished their respective effects. Further research is suggested to investigate the weaker party's attitude to contract enforcement, whether consummate or perfunctory, which is good for long-term development. We use cross-section data in this study, not enough for examining the dynamic interplay among power, fairness and governance. Longitudinal data need to be collected for further research.

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Figures and tables are available on request.

Do Personal Interaction and E-Commerce Constitute a Contradiction in Business-to-Business Settings?

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Keywords: *business-to-business, e-commerce, relational selling, sales management, key accounts*

Description: *In our qualitative study, we find two transaction-specific and one relationship-specific factor, which influence whether B2B suppliers and customers prefer relational selling or different types of e-commerce.*

EXTENDED ABSTRACT

Research Question

According to relationship marketing (RM) research, strong interorganizational relationships are essential as they increase sales, profits, and share (Crosby, Evans, and Cowles, 1990; Morgan and Hunt, 1994; Palmatier, Dant, Grewal, and Evans, 2006; Palmatier, Houston, Dant, and Grewal, 2013). For the development of such interorganizational relationships, personal interaction between salesperson and buyer is crucial. Thus, business-to-business (B2B) firms invest considerable resources in relational selling strategies, which are based on buyer-seller interaction (Arli, Bauer, and Palmatier, 2017; Clopton, 1984; Palmatier, Scheer, Evans, and Arnold, 2008). Especially sales strategies for key accounts, i.e. strategically important customers (McDonald, Millman, and Rogers, 1997; Pardo, 1999; Piercy and Lane, 2006; Zupancic, 2008) imply increased service or customization levels, for instance (e.g. Homburg, Workman, and Jensen, 2002). Recently, however, more and more B2B firms develop e-commerce solutions, which render personal interaction in sales obsolete. By 2020, personal interaction is predicted to be superfluous for 85% of transactions (Baumgartner, Hatami, and Valdivieso, 2016).

To investigate this seeming contradiction, we chose a qualitative approach. With our study, we aim to gain a deeper understanding of how e-commerce integrates into relational selling in B2B settings. We find three main factors, which influence whether suppliers and customers prefer relational selling or e-commerce, i.e. two transaction-specific and one

relationship-specific factor. Depending on these factors, both supplier and customer deem either relational selling in its traditional form or different types of e-commerce. Such understanding not only extends RM research, but also provides valuable contributions to e-commerce and key account management (KAM) literature. Furthermore, sales managers can derive helpful implications from our preliminary results.

In the remainder of the paper, we first describe the applied research method as well as the data we have already gathered for this piece of work in progress. We then continue with a brief summary of our preliminary findings. Finally, we delineate the key contributions of our work.

Method and Data

To gain a profound understanding of suppliers' and customers' perceptions, we apply an exploratory research design (Glaser and Strauss, 2006). Exploratory research designs are particularly suited for the detailed examination and description of new phenomena in mainly unexplored settings (Creswell, 2007; Ruyter and Scholl, 1998). For explorative studies in largely underresearched fields of interest as the present one, qualitative designs are preferable as they enable researchers to develop a rich understanding of complex processes as well as of key informants' attitudes and perceptions (Rubin and Rubin, 2012). We thus conduct semistructured one-to-one interviews as such an approach allows for the in-depth exploration of interviewees' perceptions and experiences, while always being open for changes

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and flexible adaptations as required by the interview (Kvale, 1996).

In identifying and approaching potential interviewees, we follow a theoretical sampling process (Strauss and Corbin, 1990). Via a professional social network and personal contacts, we have contacted around 150 sales and e-commerce managers (supplier side) as well as professional purchasers (buyer side).

The dyadic design allowed us to interview experts in various job positions and from a wide range of industries. Such heterogeneous samples do not only increase the generalizability, but also the depth of our findings (Eisenhardt and Graebner, 2007). So far, we have held one-to-one telephone interviews with 31 experts employed at supplier firms (19 interviews), customer firms (nine interviews), and platform providers (three interviews). Please refer to table 1 for a detailed overview.

The collection of interview material has started in November 2017 and will endure until July 2018, presumably. We plan to continue until the material reaches theoretical saturation (Strauss and Corbin, 1990). Except one, all interviews were audiotaped and transcribed verbatim. One expert (E26) did not agree to have the interview taped. Hence, the interviewer took field notes while conducting the interview. The duration of that interview was then estimated according to the length of the call. On average, the interviews thus lasted 39:50 minutes. Whereas the longest interview took 70:00 minutes, the shortest endured 25:11 minutes. In sum, we have collected about 20 hours and 34:36 minutes of interview material (including the interview with E26).

We apply Grounded Theory for analysis, which is a widely acknowledged method in marketing and sales papers (Kaski, Niemi, and Pullins, 2018). First, we openly code each interview line-by-line. We then proceed with axial and selective coding to identify superordinate categories. As our paper is still work in progress, we have not finished coding and can therefore not report the final number of codes and categories yet.

Summary of Preliminary Findings

Our study aims at gaining a deeper understanding of how e-commerce integrates into relational selling in B2B settings. The preliminary findings of our study suggest three main factors, which influence whether suppliers and customers prefer relational selling or e-commerce. Two of these factors concern the respective transaction, namely its strategic importance and complexity. The third factor, i.e. the need for mutual trust between companies, particularly concerns the supplier-customer-relationship. Depending on these factors, both supplier and customer deem either relational selling in

its traditional form or different types of e-commerce. Each of these factors interacts with all or at least some of the remaining. For an overview, please refer to figure 1.

Relational Selling

Suppliers' view. Suppliers adopt the relational selling for sales situations in which all three influence factors are particularly pronounced. For instance, sellers see that complex situations such as e.g. nonstandard projects, first-time purchases, or warranty claims require high levels of interorganizational trust and, thus, direct personal interaction during the sales process as a whole (e.g. E20). As such individual assistance is resource-demanding; the respective transaction needs to be of strategic importance for suppliers to justify investments like e.g. salesforce time. As technical expertise and interpersonal communication required managing such issues are tied to people's minds (e.g. E5, E13, E15), suppliers adopt purely relational selling.

Customers' view. Customers agree in the notion that for such transactions to be conducted successfully, personal interaction will always be a prerequisite (e.g. E21). Particularly complex transactions or standalone projects cannot be processed in an automated manner. Instead, in such cases, customers would always need assistance by a salesperson (e.g. E12).

Interorganizational Integration

Suppliers' view. Suppliers adopt interorganizational integration for sales situations in which complexity is low, whereas the need for trust and the transaction's strategic importance are high. High-volume transactions ranging on low levels of complexity and taking place repeatedly can be efficiently conducted via mutually integrated order management systems (e.g. E1, E8, E9). Such mutual technical integration frees salesforce resources (e.g. E17), but requires considerable resource deployments on *both* sides (e.g. E19). Accordingly, switching costs as well as the dependency on the business partner rise (e.g. E22). Establishing such technical connections between supplier and customer is therefore only considered suitable for relationships, which are characterized by high levels of trust.

Customers' view. Customers also acknowledge the considerable investments required for such sales situations, which can be made only by financially highly potent firms (e.g. E12, E18, E31). They see that the high investments increase relationship strength and duration (e.g. E22). In addition, they acknowledge the planning security they derive from integrated systems (e.g. E18, E22). However, customers also consider the risk of becoming dependent on a supplier (e.g. E31). Accordingly, they agree on trust being a necessary prerequisite for establishing such a connection (e.g. E31).

Interorganizational Connection

Suppliers' view. Suppliers adopt interorganizational connection for sales situations in which the transaction's strategic importance as well as the need for trust range on an intermediate level, whereas complexity is low. Instead of establishing a direct connection between order management systems, supplier and customer conduct such transactions via business platforms. Establishing a connection to the platform does not require the development of individually created interfaces, but runs via standard interfaces (e.g. E13). In addition, suppliers use such platforms to provide information that reduces customers' need for assistance (e.g. E15, E25). Thus, investments and, accordingly, the required level of trust are reduced in comparison to the second strategy highlighted before.

Customers' view. Customers agree with suppliers in highlighting that less investments are required for interorganizational connection in comparison to interorganizational integration (e.g. E21) due to the usage of standard instead of individually customized interfaces (e.g. E31).

Transactional Selling

Suppliers' view. Suppliers adopt transactional selling for sales situations in which all three influence factors are weakly pronounced. Such repeated standard purchases of items that are not relevant for the customer's production does not require any relational selling efforts. Accordingly, suppliers shift such transactions to online shops or web portal. Such online interfaces do not require high levels of mutual investments (e.g. E4) and provide information which reduces the amount of support needed (e.g. E4, E10, E16).

Customers' view. Regarding the fourth strategy, customers highlighted the increased level of transparency which supports supplier choice (e.g. E12). However, usability issues often impede transactional selling via online interfaces (e.g. E12).

Key Contributions

Our results, although still of preliminary nature, contribute to existing research in various ways. First, we enrich RM literature by identifying a set of drivers motivating relational selling in B2B contexts. Whereas existing research identified a manifold set of RM mechanisms and outcomes (e.g. Morgan and Hunt, 1994; Palmatier, Jarvis, Bechkoff, and Kardes, 2009; Palmatier, Scheer, Evans, and Arnold, 2008), little is known about the factors that motivate sellers to adopt relational selling (Arli, Bauer, and Palmatier, 2018). Our preliminary findings, in turn, suggest that high levels of strategic importance of a transaction, transaction complexity, as well as a pronounced need for mutual trust foster relational selling in B2B settings. In adopting a dyadic perspec-

tive, we also validate these influence factors as being highly relevant regarding customers' need for relational selling. By taking into account not only a supplier, but also a customer perspective, we follow prior research (Palmatier et al., 2009) and show, that both agree on the notion that high levels of strategic importance of a transaction, transaction complexity, and need for trust drive the need for relational selling. In particular, that both suppliers and customers see a high need for trust as an antecedent of relational selling extends findings by Morgan and Hunt (1994), who identified trust as a factor mediating RM effectiveness. Our findings delineate that trust could also play a role as a motivator for RM, not only as a mediator. Furthermore, our study suggests that when a transaction's strategic importance and complexity as well as the need for mutual trust are less pronounced, the need for relational selling decreases. Instead, three different types of e-commerce are deemed more suitable. Interorganizational integration creates close ties between supplier and customer. Therefore, it requires considerable trust and is suitable for important standard transactions. Interorganizational connection is less binding, whereas transactional selling does not require the creation of technical interfaces between companies. Accordingly, all three influence factors are weakly pronounced when transactional selling is considered suitable by both suppliers and customers.

Second, we also extend RM literature by delineating how e-commerce can contribute to RM effectiveness. Whereas presently, existing literature has not considered the effect of e-commerce integration on relational selling (Arli et al., 2018), our study suggests that the overall increased level of e-commerce frees resources, which can then be effectively deployed for RM. Although conceptually different, interorganizational integration, interorganizational connection, and purely transactional selling all reduce manual effort on both sides. Freed resources from both suppliers and customers can thereby be invested in relational selling, for transactions where both see the need for it. As both suppliers and customers see high levels of strategic importance of a transaction, transaction complexity, as well as a high need for mutual trust as key influence factors, a joint identification of transactions that require relational selling should be unproblematic. These findings extend relational selling literature (Arli et al., 2018; Palmatier et al., 2009; Palmatier, Dant, Grewal, and Evans, 2006) as they add e-commerce as another important factor enhancing RM effectiveness. Moreover, they contribute to KAM literature: This stream of research suggests that resource-intensive (and, thus, costly) RM (Gounaris and Tzempelikos, 2014; Ivens and Pardo, 2007; Richards and Jones, 2009; Salojärvi, Sainio, and Tarkiainen, 2010; Zupancic, 2008) should be directed to key accounts only, in order to build strong and long-term oriented relationships (Leischnig, Ivens, Niersbach, and Pardo, 2018; Ryals and Humphries, 2007). Our study, however,

suggests that relational selling efforts can be directed not only to key accounts, but to all customers, depending on the situational context of the transaction—not the customer’s current status. For instance, nonkey customers could also be provided with special assistance for a one-time purchase of a brand-new machine. The overall increased efficiency of transactions due to e-commerce integration frees resources which can be employed to cater customers according to their needs and thereby benefit from financial and nonfinancial benefits traditionally derived from KAM (Ivens and Pardo, 2007). By not restricting relational selling to key accounts, but to transactions requiring it, the traditional boundaries between KAM and nonkey account management are increasingly blurred.

These—although still preliminary—findings are not only of high importance for research, but also for sales managers. As selling efforts become directed at transactions instead of certain customer groups, the demands salesforces face are changing rapidly. Thus, some responsibilities are increasingly taken over by e-commerce applications. Accordingly, salespeople’s job roles are changing as well. Sales managers are therefore well advised to dissolve existing selling teams. When regrouping them, manager should assign team leader

roles to former key account salespeople and encourage them—financially and nonfinancially—to share their customer development knowledge with their new colleagues. Moreover, the whole salesforce should receive specific training how to educate customers on using e-commerce applications for standard transactions. Specifically, technical knowledge regarding the type of e-commerce in question is highly relevant. Therefore, interdepartmental cooperation and knowledge exchange must be facilitated, e.g. by e-learning and video instructions.

Despite our study’s theoretical and practical contributions, it is not free of limitations. For most organizations, we gathered information from only one informant. Interviews with more experts of course would have provided additional insights. Nevertheless, our study provides interesting avenues for further research. For example, longitudinal studies could investigate how e-commerce integration influences the value both transaction partners assign to a relationship over time. Such studies would provide further insights on how and when e-commerce integration turns out to be most beneficial for both supplier and customer.

References tables, and figures are available on request.

Channel Performance and Trade Marketing Investments in the Personal Care Industry

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Keyword: *trade marketing, channel structure, channel incentives, personal care*

Description: *Our research addresses the challenge of investing on effective trade marketing accounting for investment type and channel structures.*

EXTENDED ABSTRACT

Research Question

The role of trade marketing (e.g., temporary price discount, product shelf display, and store event) in physical stores remains essential for personal care goods, even in today's market place where e-commerce grows. Manufacturer and retailers together need to properly implement trade marketing efforts because according to Nielsen more than 70% of the purchasing decisions are made at the retail site. These efforts aimed at increasing sales and also building brand equity and consumer loyalty. While manufacturer's trade marketing investments intend to grasp the attention of consumers and to compensate retailer, it is necessary to decide the effective investment aligned with the channel structure. Our study aims to address two questions: (1) What kind of trade marketing investments are more effective? (2) What are the differences in effectiveness when accounting for the channel structure? Trade Marketing effectiveness studies are scarce, primarily due to the difficulty in obtaining fine grained and complete data, and its strategic use in the highly competitive retail environment. We collected unique data from a manufacturer firm that sells leading brands in personal care operating with specialist and generalist retailers. Specialists are mostly pharmacies and acknowledged as the manufacturer strategic priority. Generalist retailers provides volume and breadth.

Method and Data

The empirical test of our hypotheses is based on a database of a larger US Personal Care manufacturer with global operations. One of the manufacturer's main foreign subsidiaries

provided the data on all eight leading brands and four regions, and four channel structures over a period of 15 months, totaling 1,920 observations. The studied brands comprised of the following categories: women care (e.g., shampoos, soaps and lotions), skin care and sun protection, and oral care. Each observation comprehends the retail sales and trade marketing investment observed in dollars (deceived for confidentiality purpose) and divided in channel structure. Channel structure is comprised of direct generalist, direct specialist, indirect generalist and indirect specialist. We structured our dataset in panel with the objective of observing the variations of the investments in the retail sales specifying channel structure and months. Eight brands, four regions and 15 months adds up to 480 data points for each channel structure. Our panel data comprised of 4 channel structures yielding 1920 observations. The choice of the panel method allows the evaluation of the effects of independent variables on the dependent variable, accounting for channel structure over time in order to identify their unique characteristics.

Summary of Findings

Results revealed that 4 of the 5 investment types significantly increases sales performance. In addition, the model considering channel structures unveiled counter-intuitive results showing that channel type is critical to performance and should be carefully considered when planning trade marketing investments. Although temporary price reductions are frequently used as a trade marketing investment in

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direct generalist channel (e.g., large supermarket chains), our study unveiled a non-significant effect of such price reductions on retail sales performance. Another established trade marketing investment, in-store salespeople incentive, showed to be effective only in the direct specialist channel (e.g., large drugstore chains).

Key Contributions

Our results shed light on the importance of accounting for channel structure in defining trade marketing investments. In a highly competitive environment such as retail, previous studies suggested that trade marketing investments act as an essential instrument that consumer goods companies can use to align consumer incentives and increase sales. Despite its

relevance on the competitive landscape few studies devoted attention to this subject. Our study reveals the significant and positive impact of all trade marketing investments on retail sales, except in-store salespeople incentive. We found that temporary price reduction (TPR) and shelf display are the strongest effects on retail sales regardless the channel structure. The degree of control and monitoring, which the manufacturer exerts over retailers, play an important role for these two trade marketing investments. All trade marketing investments are executed by retailers and distributors with some constraints to control, except with TPR and shelf display that are monthly audited by a third party.

References are available on request.

Turning Pledges into Outcomes: The Effect of Ongoing Support on Franchise Chain Growth

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Keywords: *franchising, ongoing support, chain growth, franchisee signaling, chain screening*

Introduction

Franchising is the dominant format of retailing in the U.S. Over 800,000 franchise businesses employ 8.8 million people and account for \$890 billion in economic output (Boll 2016). Franchising has received increasing research attention by researchers from diverse fields including law, economics, management, entrepreneurship, and marketing. Marketing researchers examined structure (Dant et al. 1992), governance (Kashyap et al. 2012), and performance (Antia et al. 2013) of franchise chains (see Dant et al. (2011) for a review). Among all the performances of franchise chains, growth stands out as a critical but ignored performance for a franchise chain (chain hereafter). Faster growth and resultant bigger size of a chain mean more revenue for the chain because a chain's income (from royalty and rent) is directly correlated with the number of franchisee stores it attracts. Furthermore, faster growth and resultant bigger size enable a chain to enjoy lower per unit cost of promoting its brand name and lower average cost of chain operations (Shane et al. 2006). Therefore, it is essential for a chain to achieve continuous growth not only for making greater profit but also for survival.

Despite its importance, chain growth has received only limited research attention by marketing researchers. Previous studies examined whether a chain's greater percentage of franchising (Shane 1996) or litigation between a chain and franchisees (Antia et al. 2013) affect chain growth. The only study that focused on the drivers of chain growth is Shane et al. (2006). They examined the effects of two groups of drivers (pricing policy decisions and strategic control decisions) on chain growth and found that chains grow bigger when they lower royalty rate, raise up-front fees, lower proportion

of company-owned outlets, and keep initial investment low as the chains age.

Although these results offer useful insights on what drives chain growth, two limitations stand out. First, no previous studies took into account the fact that a chain-franchisee relationship is an asymmetric relationship where the chain enjoys a clear upper hand in dealing with franchisees (Hadfield 1990). Power asymmetry between a chain and franchisees manifest in two ways: Structural and procedural. From a structure standpoint, a chain on average is much bigger and more experienced than a franchisee, thereby commanding greater referent power and expert power (Raven 1993). From a procedural standpoint, a chain is endowed with greater coercive power to punish non-conforming franchisees and legitimate power through its franchising contract. This asymmetry of power between a chain and its franchisees is likely to set the tone on how a chain manages its franchisees and consequent outcomes including chain growth. However, no consideration was given to asymmetry of power when researchers theorized on the drivers of chain growth. Second, bulk of prior studies examined either *ex ante* (e.g., contract drafting) or *ex post* (e.g., monitoring) measures to manage franchisee stores. Although a handful of recent studies examined how *ex ante* measures affect *ex post* governance mechanisms (Kashyap et al. 2012) or how *ex ante* measures interact with *ex post* governance mechanisms (Kashyap and Murtha 2017), none of these studies recognize that a chain offers ongoing support to franchisees as well as engaging in governance activities toward franchisee stores. Therefore, the questions of what ongoing support is and how it may interplay with *ex ante* measures to influence chain growth remain unexplored. We define *ongoing support* as

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the extent to which a chain offers operational assistance to franchisees on a regular basis.

These two gaps are important limitations that need to be addressed. First, ignoring asymmetry of power between a chain and franchisees and treating them as equal partners may not only ignore reality but also mislead a researcher in identifying and theorizing on the effects of drivers of chain growth. Second, ignoring the existence of ongoing support by a chain and focusing solely on governance mechanisms are likely to provide incomplete understanding on the drivers of chain growth at best and wrong conclusions on what chains should do for faster growth at worst.

In an effort to address these limitations, we develop and test a conceptual framework wherein the asymmetry of power between a chain and its franchisees is taken into account and the effect of a chain's *ex post* ongoing support on chain growth is theorized. We build our framework on previous studies but depart from them in three ways. First, for *ex ante* measures of governance, previous studies theorized that it is a chain that sends signals of high quality and capability to customers (e.g., potential franchisees) to attract them (Mishra et al. 1998). In turn, it is those potential franchisees that process and interpret chains' signals to screen out weak chains and decide on which chain to join. Conversely, we maintain that it is the chain, not potential franchisees, that enjoys higher power and an upper hand. This power asymmetry between a chain and its franchisees means it is the potential franchisees that need to send signals of high commitment and motivation to the chain. In turn, it is the chain that processes and interprets signals from potential franchisees to screen them out and decide on who to accept as their members to their chain. In summary, we turn the table 180 degrees and propose screening by a chain and signaling by franchisees for our conceptual framework and theorize on their joint effect on chain growth.

Second, for *ex post* measures, prior studies took a chain's position and focused on "managing" franchisees to achieve the chain's goals. Drawing on agency theory and its main concerns about incentive misalignment, studies focused on maintaining alignment of interests between a chain and its franchisees and examined the effects of various governance mechanisms including monitoring, enforcement, and incentives (Kashyap et al. 2012; Kashyap and Murtha 2017). Curiously missing in this literature is the recognition that a chain, that develops and manages long-term relationships with franchisees (average duration of 15 years; Steinberg and Lescatre (2004)), not only monitors franchisees and enforces contracts but also provides ongoing support to franchisees. A chain's typical ongoing support to franchisees includes providing help with initial store opening, field

training, field operations evaluation, central purchasing, central data processing, inventory control, and regional and national meetings. It is highly likely that the extent to which a chain provides ongoing support to franchisees influences store operations and consequent chain growth. Therefore, drawing on Gulati's insight on the need to ensure both incentive alignment (through *ex ante* measures) and action alignment (through *ex post* coordination) for achieving superior performance (Gulati et al. 2012), we identify ongoing support as a key device for action alignment between a chain and its franchisees. Then, we theorize on how it interplays with *ex ante* measures (i.e., franchisee signaling and chain screening) to influence chain growth.

Third, prior studies inferred the effects of *ex ante* and *ex post* measures from static cross-sectional analysis (see Shane et al. 2006 for an exception). Cross-sectional analysis carries the risk of confounding of unobserved heterogeneity about the chains or industries with their strategic actions such as monitoring and enforcement. In contrast, we collected panel data of 245 chains over nine-year period and used generalized method of moments (GMM) estimation not only to parcel out unobserved firm or industry level effect but also to capture the effect of changes in *ex ante* and *ex post* measures on changes in chain growth over time. Capitalizing on the panel data for nine-year period, we capture how the evolution of a chain's *ex post* and *ex ante* measures influence chain growth over time.

A key contribution of our study is to highlight the need for action alignment and theorize on how a chain's important but ignored measure of action alignment, ongoing support, interplays with *ex ante* measures (franchisee signal and chain screening) for goal alignment to influence chain growth.

Theory and Hypotheses

Growth as Chain Performance

We define chain growth as the extent of increase in size of a chain relative to competitors (Shane et al. 2006). Two aspects of this definition warrant explanation. First, prior studies defined increase in chain size in terms of number of outlets in the franchise system (Shane et al. 2006) or relative to chain growth goals (Antia et al. 2013). Although increase in number of outlets or chain growth goals are important yardsticks for growth, we believe what matters most for a chain is not so much increase in absolute number of outlets as increase in number of outlets *relative to* those chains in the same industry. Therefore, our definition of chain growth is a relative growth that reflects competitive intensity of an industry (Barnett and Hansen 1996). Second, one can examine size of a chain in terms of total number of outlets (including both corporate outlets and franchisee outlets) (Shane et

al. 2006) or number of franchisee outlets (Antia et al. 2013). We define it as the number of franchisee outlets for chain growth because our study is about the effect of a chain's management of franchisees, not corporate outlets, on chain performance in terms of growth of chain size.

Beyond Governance Mechanisms: Ongoing Support as a Catalyst for Growth

Prior studies on franchising focused on a chain's use of governance mechanisms to manage franchisees including monitoring, enforcement, and incentives (Kashyap, Antia, and Frazier 2012; Kashyap and Murtha 2017). Although there is no doubt that a chain needs to deploy governance mechanisms to ensure franchisee performance, sole focus on governance mechanisms misses unique characteristics of franchising. First, deploying governance mechanisms such as monitoring is based on the premises of agency theory that goals are misaligned between a chain and its franchisees and that those governance mechanisms can be deployed to align goals. However, governance challenges due to goal misalignment are likely to be attenuated in franchising because franchisees are sole owners of residual claims (Knott 2001) and chain-franchisee relationships span multiple years (average 15 years).

Second, unlike typical buyer-seller relationships or manufacturer-distributor relationships, a chain sells a business format to franchisees in return for royalty as a percentage (typically 4-6%) of store sales volume. This means a chain's performance is highly correlated with franchisee performance in terms of store sales. These two characteristics of franchising suggest that a chain needs to pay attention to ensuring not so much alignment of goals as alignment of operations for positive store performance and chain growth. We propose a chain's ongoing support of franchisees as a key means to facilitate alignment of store operations through two functions: *motivation-boosting* function and *capability-enhancing* function. First, a chain's provision of ongoing support for franchisee operations is likely to boost a franchisee's confidence that the chain is fully committed to working closely with the franchisee to ensure better performance of the franchisee. A franchisee who receives great ongoing support is likely to have a higher motivation than those who receive little ongoing support. Therefore, a chain's greater ongoing support serves motivation-boosting function. Second, a chain's provision of ongoing support for franchisee operations (e.g., field training on a regular basis) is likely to enhance a franchisee's knowledge and competence on store operations, thereby enhancing her capability to run her store efficiently. A franchisee who receives great ongoing support is likely to have higher capability than those who receive little ongoing support. Therefore, a

chain's greater ongoing support to franchisees serves capability-enhancing function.

Match Between Franchisee Signaling and Chain Screening

Prior studies examined the antecedents or consequences of signaling or screening separately (Kirmani and Rao 2000). We build on the prior studies in two different ways. First, recognizing the power asymmetry between a chain and franchisees, we theorize that franchisees engage in sending signals of commitment and motivation to a chain, whereas a chain engages in screening out potential franchisees through strict contract terms. Second, neither franchisee signal nor chain screening alone is likely to influence chain growth because one action needs to be reciprocated by the other action to generate enough potency to influence *ex post* behaviors of chain and franchisees and resultant chain growth. Therefore, we propose that it is the match between franchisee signaling and chain screening that should increase chain growth for two reasons. A chain's strict qualification and screening of potential franchisees send a strong signal that the chain is serious about selecting only the best applicants for their chain membership. However, a chain's stringent screening alone does not do much if potential franchisees do not respond positively to those stringent qualifications. Conversely, a potential franchisee's strong signal of high commitment and motivation to join a chain alone is unlikely to lead to positive *ex post* outcomes unless the chain shows its own commitment and motivation through strict qualification and screening of franchisees. In summary, a chain's strict screening and a franchisee's strong signaling are likely to become potent for chain growth only when they are matched together and we predict that

H₁: A chain grows faster when increase in franchisee signaling is matched with increase in chain screening.

Match Between Franchisee Signaling and Chain Ongoing Support

A franchisee who joined a chain without sending a strong signal of commitment is unlikely to expect much from the chain in return. For example, a franchisee who made only a small initial investment is unlikely to expect much help and support from the chain. On the other hand, a franchisee who joined a chain by sending a strong signal of commitment and motivation to work with the chain is likely to expect a counter-signal in kind from the chain. For example, a franchisee who made greater initial investment to join a chain is likely to expect reciprocal action from the chain in the form of greater help and support for store operations. A chain's increase in ongoing support in return for greater franchisee signaling serves motivation-boosting function by not only

increasing the franchisee's confidence in the chain's commitment to the franchisee but also its confidence to recoup the investment made to the chain. The franchisee's greater commitment through large initial investment, when combined with its great motivation boosted by the chain's ongoing support, is likely to not only improve franchisee performance but also help the chain grow faster. Therefore, we predict that

H₂: A chain grows faster when increase in franchisee signaling is matched with increase in chain ongoing support.

Match Between Chain Screening and Chain Ongoing Support

A chain that does little screening of potential franchisees is likely to end up with franchisees with various levels of motivation and capability to run stores successfully. Providing greater ongoing support after lax screening and qualification of franchisees is likely to have only limited effect on improving franchisor performance because some franchisees may be motivated to work hard and capable of learning through the chain's ongoing support while others are neither

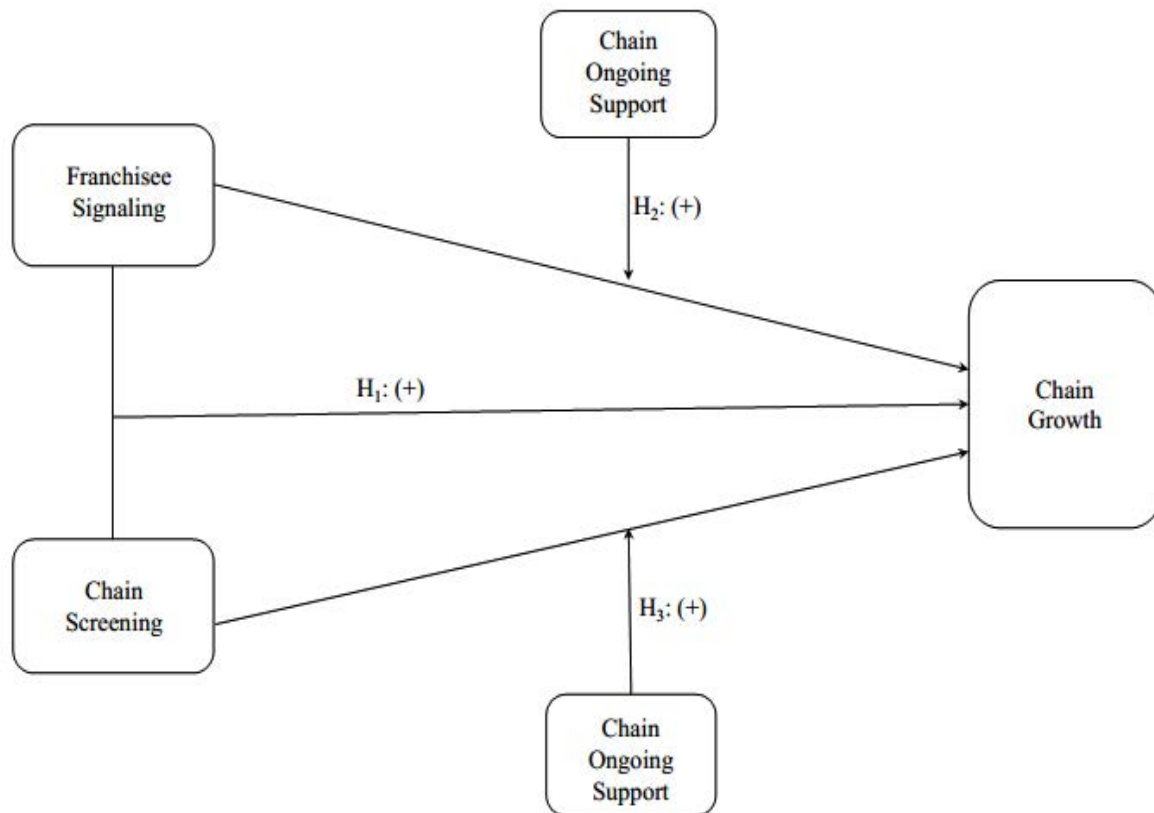
motivated nor capable of improving store operations. On the other hand, a chain's greater ongoing support followed by stringent screening of franchisees is likely to have the capability-enhancing effect on franchisees by catalyzing the great potential of those franchisees who went through strict screening and qualification. Those franchisees' performance is likely to improve greatly and the chain is likely to grow faster when the franchisee's greater motivation affirmed through strict screening by the chain is combined with those franchisees' greater capability gained through ongoing support by the chain. Therefore, we predict that

H₃: A chain grows faster when increase in chain screening is matched with increase in chain ongoing support.

Method

We used Bond's Franchise Guide that offers comprehensive and reliable secondary data for testing our hypotheses (Shane 2001). Our unit of analysis is the chain that acts as a franchisor. Our final sample included chains with operations within United States and Canada only, with data available for all nine years for each chain from year 2001 to 2009. The final sample included 245 chains. We measured *chain*

Figure 1. The Conceptual Framework



growth by calculating the percentage increase in the number of franchisee stores of chain *i* during year *t* subtracted by the average growth of chains in the category where chain *i* belongs. The contract term the chain offers to its franchisees is used as a measure of strength of *chain screening*. Shorter term contract indicates stricter screening by the chain. We reverse coded the number of years a chain offers to its franchisees in a contract. We used a franchisee's initial investment for a chain as a measure of strength of *franchisee signal*. Higher investment levels indicate stronger franchisee signal. We measure *ongoing support* as the sum of nine indicator variables representing nine separate ongoing support services provided by a chain.

Analysis and Results

Following Aiken and West (1991), we standardized the variables before creating the interaction terms to facilitate

the interpretation and comparison of the results. We estimated the regression equation in a hierarchical fashion: Model 1 included control variables and main effects only and Model 2 included three two-way interactions as well as control variables and main effects. We estimated the models with three estimation methods. We first estimated the models using Ordinary Least Squares (OLS) with panel-clustered standard errors. Then, we used the fixed-effects estimator as our second estimator to account for unobserved firm heterogeneity. We used one-step Blundell and Bond (BB) model as the third estimator. The BB model approach deals with endogeneity by transforming the data to remove the fixed effects using System GMM. The estimation results are reported on Table 1.

We use the results from the BB model for testing hypotheses. Model 2 of BB (Far right column of Table 1) shows that

Table 1. Model Estimation Results

	Model 1			Model 2		
	OLS	FE	BB	OLS	FE	BB
Main Effects						
Chain screening _{<i>t-1</i>}	.04(.03)	.17*(0.1)	.19(0.19)	.18**(.08)	.49(0.17)	-.27(0.92)
Franchisee signaling _{<i>t-1</i>}	.28(.21)	.74**(.037)	.06(0.05)	.23**(.09)	.08(0.14)	-.10(0.13)
Ongoing support _{<i>t</i>}	-.01(.02)	.12(0.1)	-.12(0.19)	-.02(.02)	-.04(0.1)	-1.12(0.7)
Moderating Effects						
Chain screening _{<i>t-1</i>} X Franchisee signaling _{<i>t-1</i>}				.37**(.15)	.67***(.06)	.23*(.12)
Franchisee signaling _{<i>t-1</i>} X Ongoing support _{<i>t</i>}				.26*(.15)	.41**(.18)	.89***(.11)
Chain screening _{<i>t-1</i>} X Ongoing support _{<i>t</i>}				.05(.06)	.20(.14)	3.61**(.157)
Control Variables						
Mean growth	-.09(.07)	-.2**(0.07)	-.024(.02)	-.13(.09)	-.21***(.04)	-.03(.03)
Age _{<i>t</i>}	-.12**(.04)	-2.23***(.3)	.06(.10)	-.13***(.42)	-1.22***(.32)	.01(.16)
Size _{<i>t</i>}	-.02(.02)	-.56**(.17)	-1.18**(.55)	-.01(.01)	-.46***(.12)	-.81**(.29)
Number of states _{<i>t</i>}	-.01(.02)	-.25(.32)	.31(.23)	-.01(.02)	-.29(.31)	.33(.33)
% of corporate stores _{<i>it</i>}	-.05(.03)	.35**(.1)	.54**(.25)	-.01(.01)	.27*(.09)	.37**(.16)
GDP _{<i>t</i>}	.30**(.13)	-.91***(.19)	.01(.05)	.24**(.10)	-.44**(.19)	.39 (.39)
Number of observations	1494	1494	1494	1494	1494	1494
R-squared	.10	.28		.23	.37	
Wald (d.f.)			58.09 (23)			327.45 (29)
AR(II) (z-score)			.49			.55
Hansen J (p-value)			.18			.15
Sargan test (p-value)			.34			.23
Hansen C (p-value)			.74/.33			.57/.83

the interaction between chain screening and franchisee signaling has a positive effect on chain growth ($b = .23, p < .05$), thereby supporting H_1 . The interaction between franchisee signaling and ongoing support has a strong, positive effect on chain growth ($b = .89, p < .001$), thereby supporting H_2 . Similarly, the interaction between chain screening and ongoing support has a positive effect on chain growth ($b = 3.61, p < .01$), thereby supporting H_3 . Therefore, all our three hypotheses are supported by data.

Discussion

The study makes two contributions. First, departing from the dominant logic of agency theory where sellers (i.e., chains) send a signal and buyers (i.e., potential franchisees) engage in screening, we take the opposite position: Chains engage in screening, while potential franchisees send a signal of commitment to chains. This role reversal from the dominant approach is germane to franchising where power asymmetry between a chain and franchisees is structurally assured. Furthermore, unlike prior studies that examined signaling and screening separately, we reasoned and proved that signaling or screening alone does not work for chain growth. It is the match between a chain's strict screening and franchisees' strong signal that accelerates chain growth. Second, departing from prior research focus on governance mechanisms to ensure incentive alignment, we expand the scope of *ex post* measures by maintaining that chains not only monitor franchisees and enforce contracts but also provide ongoing support to franchisees. This is important contribution because what matters for faster chain growth is not so much aligning goals as aligning operations with franchisees through ongoing support. Our empirical test results affirm that a chain grows faster than competitors when increase in chain screening or franchisee signal is followed by a chain's strong ongoing support. These results clearly suggest that a chain pursuing faster growth cannot leave franchisees alone after selecting and training them. Instead, they should deploy support programs and work with franchisees regularly.

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Handling Destructive Conflict in Outsourcing Relationship

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Keywords: *outsourcing, destructive conflict, conflict-handling, commitment, Australia, Saudi Arabia*

Description: *This paper investigates the effect of conflict-handling strategies, ethical norms, and dependence on relationship commitment in low and high destructive conflict situations in B2B outsourcing relationships.*

EXTENDED ABSTRACT

Research Question

Outsourcing and non-ownership business models in general have numerous benefits, but they also have their downsides (Ndubisi, Ehret and Wirtz 2016). One of these downsides is sporadic destructive conflicts, which sometimes cast shadow on and skepticism about its utility. Since outsourcing parties maintain their independence, a hostile situation sometimes emerges that leads to conflict. Channel conflict can be constructive or destructive. Whilst the former is mostly healthy, it is the latter that is generically poignant and undesirable.

When the feelings of outrage and being treated unfairly reach breaking-point, managers might even refuse economically sensible choices, harming their own organization in their effort to punish their channel counterparts (Zwick and Chen, 1999). At a higher level, this opposition may lead to withdrawing support, sabotage, or taking revenge. High litigation costs are sometimes incurred.

How then can interested companies proactively and reactively address destructive conflict without losing the utility of outsourcing? In hostile situation, what keeps the outsourcing partners (principal and agents) together? What conflict handling strategies can effectively address destructive conflict and promote partner commitment? Providing answers to these overarching questions is our goal in this paper. Additionally, we explore the role of partner's ethical norms and (focal) firm's dependence on its partner on the focal firm's commitment to the outsourcing relationship.

Method and Data

The data were collected from samples of senior managers of outsourcing services firms in Australia and Saudi Arabia via

self-administrated questionnaires. A sample of 198 usable responses was acquired. The sample comprise Chairmen, CEOs, General Managers, and executives in middle management position. The sample covers a broad range of industry sectors, including Manufacturing, Professional Services (e.g. Legal, Medical, Accounting), Education, Hospitality, and Logistics. Firms were of all sizes but mainly large (having more than 250 full-time employees).

All constructs were operationalized using multi-item scales adapted from existing literature and refined through an exploratory pre-test phase of interviews with managers to suit the study's contexts. Conflict handling strategies (Integrative, Accommodating, Compromising, Avoidance, and Force Conflict handling) and the items were adapted from Song et al. (2006) and Ndubisi (2011). Commitment items were adapted from Morgan and Hunt (1994) and Cannon et al. (2010). Items for Destructive Conflict were adapted from Song et al. (2006) and recoded into low / no destructive conflict vs. high destructive conflict situation). Ethical norms of the focal firm, Partner's power, age, gender and education of respondents acted as Control Variables. After ensuring the constructs' reliability and validity, the hypotheses were tested using regression analysis conducted with STATA 15. Finally, the results from the high level of destructive conflict data were compared with no-/low-conflict situation.

Summary of Findings

Destructive conflict has an inverse relationship with commitment to outsourcing relationship. We also found that under conditions where there is a high level of destructive conflict, partner's ethical norms are critical in maintaining focal firm's commitment, and integrative conflict handling

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strategy works best in the process of restoring or increasing the focal firm's commitment. Moreover, high level of destructive conflict can cloud managerial judgment. In a high destructive conflict situation, focal firm's dependence on its business partner has no significant impact on the firm's commitment. The feelings of outrage and being treated unfairly can make managers to ignore their firm's dependence on its partner's business.

Under low- or no-conflict condition, none of the conflict-handling styles has any significant impact on the firm's commitment. We also found that a firm's dependence on its partner has a significant positive impact on its commitment to the relationship with its partner-the higher the dependence, the higher the firm's commitment. Finally, we also found that ethical norms exercised by a partner have a significant positive effect on the focal firm's commitment to that partner.

Key Contributions

The benefits of outsourcing generally outweigh its challenges, but such preponderance can be blurred by one major destructive conflict. As such, it is important to gain knowledge of how to leverage the upsides of the outsourcing relationship and at the same time try to contain the downsides. The study examines conflict handling strategies and their efficacy in two contexts-low/no destructive conflict and high destructive conflict situations. Under all conditions partner's

ethical norms are critical in maintaining and keeping focal firm's commitment. Through integrative conflict handling strategy, partners can navigate through a destructive conflict situation and increase commitment. Our findings show that by integrating ethical norms, outsourcing partners can forestall destructive conflict and increase partner commitment. We suggest that from the early stage of partner selection, both the outsourcer and the service provider should emphasize these orientations and seek partners with a demonstrated track record of such virtues. After entering into the relationship agreement, ongoing meetings, training programs, reward systems should inculcate elements of these virtues. Partners should also have a solid, ethical norm-based corporate policy, and ensure the adherence of their employees to that policy.

Although, parties should ideally try to prevent conflicts from manifesting or deteriorating into a dysfunctional form, however, in the event of a destructive conflict, it is recommended to apply the integrative conflict-handling strategy, which we found to be very effective in restoring or maintaining partner commitment.

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References are available on request.

Is Managing Partnerships a Core Capability of Firm?

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Keywords: *supply chain management, supply chain management capabilities, managing partnerships, competitive advantage, profitability*

Description: *This study aims to build and test an integrative model that considers managing partnerships as the core capability of supply chain management (SCM) by which firms create competitive advantages.*

EXTENDED ABSTRACT

Research Question

We attempted to ask the following research questions. First, do sharing information and risks and rewards among supply chain partners as supporting capabilities drive successful partnership management as a core capability? Second, does partnership management as a core capability improve inventory availability and timeliness? Third, do inventory availability and timeliness increase profitability?

Method and Data

We utilized a mail survey questionnaire to collect data from senior executives/senior-level SCM managers who were members of Council of Supply Chain Management Professionals. We tested with LISREL 8.3 the measurement validity using confirmatory factor analysis and the hypotheses using structural equation model.

Summary of Findings

The empirical results show that information sharing and risks and rewards sharing (i.e., supporting SCM capabilities) con-

tribute to managing partnerships that, in turn, leads to inventory availability but not necessarily timeliness, though availability improves timeliness; timeliness contributes to profitability.

Key Contributions

Although activities such as information sharing, risk and reward sharing, and managing partnerships are considered essential for SCM, their interplays are not well documented. This study is a response to research calls to investigate the interactions among the key elements of SCM. Managers should understand managing supply chain partnerships is a key condition if a firm hopes to achieve a high level of performance in today's network competition. However, managing partnerships cannot directly improve the firm's profitability; instead, it enhances inventory availability and timeliness, which in turn improves profitability. Therefore, managers must be patient to realize the financial benefits from managing partnerships.

References are available on request.

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Interorganizational Relationships Dynamics: A Systematic Review

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Keywords: *relationship dynamics, continuity, learning, stages and spirals, fluctuations*

Description: *In this study, we have reviewed the literature in the leading marketing, management, economics, accounting and sociology journals to highlight the current debates and to reveal the state-of-the-art in interorganizational relationship dynamics.*

EXTENDED ABSTRACT

Research Question

We attempt to draw together the available literature on buyer-supplier relationship dynamics. We found that there are only a handful of both conceptual and empirical research studies that have examined relationships through a dynamic lens. The inherent difficulty in measuring dynamic variables could be one reason for the lack of research. Another, more pragmatic, reason could be the ‘publish or perish’ nature of academic life which makes time-consuming, longitudinal studies less attractive (Wilson 1995). Whatever the explanation, we know little about the dynamics of interorganizational relationships (IORs). Our review is an attempt to bring coherence to the available literature on interorganizational relationship dynamics and addresses the following research question: *What is the state-of-the-art in research on dynamics of interorganizational relationships?*

Method and Data

Diverse research efforts across different outlets and domains of management and marketing suggest a significant fragmentation within our understanding of relationship dynamics. This calls for a systematic research synthesis without which it is hard for us “to know what we know” about this certain topic, risking the misuse or underuse of research evidence on the one hand, or the overuse of limited or inconclusive findings on the other (Rousseau, Manning, and Denyer 2008, p. 5).

We performed our search in September 2017 without restraining the output by date using the EBSCO Business

Source Complete database. We followed six steps to arrive at the final set of articles for review: (1) used different forms and combinations of various keywords for the abstract fields; (2) limited our search to articles published in 37 of most relevant journals; (3) conducted the title and abstract review of these papers; (4) used an interjudge reliability check, as a tool to choose the appropriate articles produced in the previous step (Rust and Cooil 1994); (5) screened the full text of the articles from the prior step to reconfirm their relevance; (6) screened the reference lists of these papers. The whole process generated the final number of 55 articles.

Summary of Findings

We define relationship dynamics as *temporalities* (e.g., age, history, a shadow of the past/future, or long-term orientation), *processes* (e.g., life-cycle or cyclical changes), or *trends* (e.g., velocity or recent changes) that define and explain a relationship’s development and change through time. By critically analyzing and classifying current studies into a series of themes, we highlighted the breadth and depth of the IOR dynamics literature. We identified four themes: *relationship continuity*, *relationship learning*, *relationship stages and spirals*, and *relationship fluctuations*.

In our first theme, observing the benefits of long-term relationships in buyer-supplier relationships, scholars have investigated what motivates involved parties to pursue long-term relationships and what the consequences of this pursuit might be. In the second theme, researchers considered rela-

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tionship learning – a dynamic notion realized through different mechanisms (e.g. repetitive works or information processing) (Bell, Whitwell, & Lukas, 2002) - which leads to ongoing changes to relationships (e.g., Lipparini et al., 2014). The third theme included a group of studies that considered how relationships develop through stages or spirals. In the final theme, researchers analyzed relationship fluctuations as portions of a relationship's trajectory which can be considered as anomalies compared with the uninterrupted trajectory of that relationship.

Key Contributions

To underscore our theoretical contributions, we turn to three theoretical lenses relevant to the study of IORs. First, our study provides some insights for *life-cycle theory* (LCT), in particular the “drivers that move the relationship from one phase to the next” (Jap and Anderson 2007, p. 273) and the consequences of a relationship breakdown. Second, our ‘fluctuations’ theme provides some answers to the differ-

ences in developmental processes proposed by LCT and *theory of relationship development* (TRD): (1) while LCT proposes a rigid sequence of stages, TRD is more flexible with the sequence of its proposed stages; and (2) while LCT claims that relationships begin with the lowest level of relationship qualities (e.g., commitment), TRD introduces the possibility of initial relationship's stocks.

Our final contribution is to transaction cost economics (TCE), one of the most frequently used theories for understanding relationships in marketing channels (Williamson and Ghani 2012) and a theory that stands to benefit most from dynamic considerations (Williamson 1999). Our themes can inform TCE in a variety of ways. For example, focused consideration of relationship continuity offers insight into the processes of relational norm development (Heide and Miner 1992).

References are available on request.

The Role of Cooperative Norms in Maintaining Business Relationships

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Keywords: *business relationships, buyer-seller dyad, cooperative norms, commitment, salesperson performance*

Description: *The current study examines the effects of buyer-seller commitment on the formation of cooperative norms which are an important part of business relationships.*

EXTENDED ABSTRACT

Research Question

The sales force is critical in B2B relationships. Effective Account Executives (AEs) can increase commitment and satisfaction with the supplier, which in turn should influence cooperative norms between partners in industrial relationships (Palmatier et al., 2006). Since AEs play a central role in developing buyer attitudes, her/his influence has been widely studied. Research has explored customer relationship quality with the AE (Alejandro et al., 2011), the AE customers' satisfaction, trust, and commitment (Ivens and Pardo, 2007), and AE sales failures (Friend et al., 2014). However, previous research is limited in regards to explaining how cooperative norms are formed between buying and selling organizations.

The current study tested the mediating role of cooperative norms in the relationship between AE activities and a buyer's desire to remain in the relationship. It also analyzed the mediating effect of cooperative norms between buyer's satisfaction and commitment and the desire to remain in the relationship. Findings suggest a "domino-like" effect in that the AE-buyer relationship influences buyers' satisfaction and commitment with the firm, which influence cooperative norms (the mediator), which, in turn, influences desire to maintain the relationship. The research proposes and tests a theoretical model exploring the antecedents, and consequences of cooperative norms.

Method and Data

Buyers were selected at random from a list provided by the supplier. We sent print questionnaires to 298 buyers that deal directly with an AE. We asked these buyers to evaluate their AE activities and their own attitudes and behaviors. We received 197 completed surveys. Each account had a specific salesperson assigned to that account. Buyers were responsible for making a major purchase of technical equipment exceeding one million dollars in size.

AE Perceived Commitment represents the buyer's perception of AE efforts "to develop a stable relationship" (Anderson and Weitz, 1992, p.19) and is measured with five items based on Anderson and Weitz (1992). Buyer Commitment is assessed with five items (Krause 1999). Buyer Satisfaction with the AE and supplier are both measured by five items (Dwyer, Schurr and Oh 1987). Buyer commitment is assessed using five items from Anderson and Weitz (1992). Cooperative norms is measured with two items from Rutherford et al. (2008). Covariates were assessed and include firm scope, buyer's time in position, length of relationship with the AE, and gender of the buyer. Findings indicate scales achieve high reliability (all were above .70). We used structural equation modeling to test hypotheses. Fit indices were all acceptable.

Summary of Findings

There are no significant differences in desire to maintain the relationship according to buyer sales, industry of the

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buyer, and length of time in doing business with the partner. Variables were standardized to reduce multicollinearity problems. Results show that the buyer's commitment to the AE affects positively buyer satisfaction and commitment with the supplier firm. Findings indicate the perception a buyer has about an AE's perceived commitment influences positively buyer's satisfaction, and commitment to the supplier. Buyer satisfaction with the AE increased buyer satisfaction with the firm, but not buyer commitment. These results indicate the power of an AE-buyer relationships.

Next, we analyzed the two drivers of cooperative norms. Findings confirmed that both buyer's commitment and satisfaction in the relationship with a supplier influenced cooperative norms. As expected cooperative norms directly influence desire to maintain the relationship.

Moreover, we extend the mediating role of cooperative norms by excluding the buyer's evaluation of the supplier. The findings confirm that Buyer Commitment to the AE, AE perceived commitment, and satisfaction with the AE influenced indirectly desire to maintain the relationship through

cooperative norms. Results confirm the AE's role in generating long-term relationships through the development of cooperative norms.

Key Contributions

Our first theoretical implication verifies the AE's relevance in creating and sustaining dyadic relationships. The salesperson influences positively a buyer's commitment to the AE and their perception of the AE, as well as a buyer's satisfaction and commitment with the supplier. Second, cooperative norms mediate the effect of both buyers' commitment and satisfaction with the supplier on the buyer's desire to maintain the relationship.

Third, the mediating effect of cooperative norms is also present in the relationship between buyers' perceptions of the AE and her/his desire to maintain the relationship. This result confirms the relevance of AEs in attending to buyer-seller requirements. In addition to the AE's role, the buyers' commitment and satisfaction with a supplier are responsible for increasing mutual cooperative norms.

References are available on request.

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Can Classics Only Be Recollected? A Study of the Dilemma of Authenticity and Originality of Sequel Products

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Keywords: *authenticity, schema, sequel product, originality*

EXTENDED ABSTRACT

Research Questions

One of the forms of brand extensions is the launch of a sequel to an existing product, and the use of the properties of the new product to arouse the nostalgia of the consumer. Therefore, how to maintain the authenticity of products and the optimization of originality elements in sequel products is an urgent problem that needs to be understood in practice.

Two main research questions are addressed in this study.

1. How was product authenticity created?
2. Which brand elements or contexts can be created or strengthened during the sequel of authenticity, and avoid consumer's preference for product authenticity while reducing the preference for product sequels?

Method and Data

This study uses the netnographic study of qualitative studies and in-depth personal interviews as the research methods to response to the issue of this study. In terms of research steps, this study first observes over 9,000 topic messages from 2007 to 2016 from the discussion forum of Apple related websites. This study also interviews more than 15 users through in-depth interviews, and combines with various inquiry methods to increase the accuracy of the researchers' judgment. The guidelines for selecting samples are those

who have used at least one generation of iPhone (3 / 3Gs / 4 / 4s / 5 / 5s), and have a certain degree of understanding of the iPhone.

Summary of Findings

During the interviews, respondents are asked to recall the elements that impressed them in each generation of iPhone, the motivation before purchase, the experience after use, and their life stories. The study found that the formation of the categorization knowledge structure on the authenticity of iPhone sequel product.

Key Contribution

This study contributes to understanding the formation of authenticity and consumers' assessment of the optimal stimulation of sequel products, and summarizes the formation of authenticity. Another interesting finding of this study is the dynamic track of consumers' authenticity in their pursuit of sequel products, meaning consumers will have different authenticity demands for sequel products. Consumers will tend to pursue object-driven authenticity for the launch of new products; however, after a sequel product is launched, they will gradually turn to pursue activity-driven authenticity, as consumers have gradually accumulated brand experience.

References are available on request.

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The Path from Consumer-Based Brand Authenticity to Consumer-Based Brand Equity: The Mediating Role of Brand Identity

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Keywords: *brand identity, consumer-based brand authenticity, consumer-based brand equity, consumer behavior, mediation analysis*

EXTENDED ABSTRACT

Research Question

Consumer behavior scholars are progressively stressing the importance of consumer-based brand authenticity (CBBA) and consumer-based brand equity (CBBE) to better understand the role of authenticity in increasing a brand's value. However, the relationship between these two constructs has received scarce attention. To fill this gap, the present study builds on a social identity perspective of customer-brand relationship hypothesizing brand identity as a mediating variable between CBBA and CBBE. Bootstrapped mediation analysis was used on a sample of 536 Italian consumers of Coca Cola. The results confirm the proposed mediating effect and provide both theoretical and practical implications to brand strategists, along with interesting avenues for future research.

Method

Consumer research scholars are progressively paying attention to the notion of consumer-based brand authenticity (CBBA) and consumer-based brand equity (CBBE). The former refers to the genuineness, honesty, fairness, and uniqueness of the brand as perceived by consumers (Napoli et al., 2014). The latter represents the value provided by the brand

or its related products/services as perceived by consumers (Yoo and Donthu, 2001). However, scant attention has been given to the relationship between these two important consumer-based constructs. Actually, what seems to lack in modern marketing communication strategies refers to the notion of “mythopoesis” (Sherry, 2005; LaTour, 2010), which refers to “an emblematic symbol characterized by a narrative rich of sense and allegorical values which is able to order and orient the generation of sense” (Boccardi et al., 2016, p.135). In other words, brands need to know how to effectively communicate their heritage, quality, and sincerity (CBBA) to modern consumers, aiming at strengthening their brand equity – i.e., awareness, loyalty, association (Yoo and Donthu, 2001). Hence, the present study aims at better “disclosing,” explaining the relationship between CBBA and CBBE using a social identity perspective (He et al., 2012). Particularly, we hypothesized brand identity as a mediating variable of such a relationship, conceptualizing identity as an effective way to transmit a company's authenticity to consumers. To do so, an analysis on Italian consumers has been conducted by investigating the Coca Cola brand, which has been historically keen to develop effective strategies aimed at brand identification and value communication.

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Summary of Findings

Building on a consumer's social identity perspective, our results showed how brand identity significantly mediated the relationship between CBBA and CBBE. Therefore, the hypothesized role of brand identity as a potential "mythopoeitic" strategic element for modern companies has been confirmed. Hence, this study contributes to the stream of research on CBBA and CBBE by exploring the relationship between these two constructs. Moreover, we also shed some lights on the importance of brand identity as a mediating factor.

Concerning the implications for managers, we suggest marketing managers to focus their brand strategies on increasing CBBA to favor the development of CBBE. Therefore, managers should invest in strategies capable to make consumers perceive the heritage of the brand. As an example, they should focus on marketing campaigns such as retro-marketing campaigns. Moreover, marketing managers should focus strategies on transmitting the sincerity of the brand. Concerning perceived quality, the only possible suggestion is to always monitor the quality of the products and the satisfaction in regard of quality of consumers. Indeed, strategies focused on CBBA may foster brand identity and, finally,

CBBE. Hereby, such a kind of strategy may increase the identification chances of the brand and CBBE.

The present study attempts to contribute to consumer research literature by investigating the scarcely explored relationship between CBBA and CBBE (Napoli et al., 2014). The results showed how this relationship is mediated by brand identity. Indeed, brand identity on the one hand derives from elements that are intrinsically related with the constituents of CBBE. Then, the CBBA derives from the brand identity as perceived by consumers. In this sense, the research question underlying the research has been answered.

In spite of the relevant findings, however, the present study has several limitations. In particular, firstly it may be needed an additional exploration using different, but similar methodology, such a traditional SEM. Actually, SEM may allow to unpack also the CBBE construct. Then, the research suffers from traditional limitations related with convenience or student samples. Specifically, the results are not fully generalizable (Zollo et al., 2018).

References are available on request.

How to Communicate Brand Authenticity to Consumers in Different Kinds of Sequel Products

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Keywords: *brand authenticity, brand trust, sequel product*

EXTENDED ABSTRACT

Research Questions

In brand strategy, a sequel product is a form of brand extension, and a re-launched product has upgrade product features (Brown et al. 2003). This study attempts to answer the following questions: (1) what is the relationship between product authenticity and consumers' trust in the sequel product? (2) What elements constitute brand authenticity? How do consumers respond to the authenticity of different sequel products (experience/search)?

Method and Data

This study uses Apple iPhones and The Fast and the Furious movies as the representative products of searching products and experiential products, respectively. This study conducted a paper questionnaire survey regarding the authenticity of different product attributes for those who had used the product. Before filling out the questionnaire, an introductory video of the product was played to arouse the memory of consumers.

Summary of Findings

This study found that different brand authenticity elements affect the brand trust of consumers individually. Consistency and symbolism element of authenticity will positive affect brand trust regardless of product type. However, only in experiential products will originality affect the brand trust of consumers.

Key Contribution

This study responds to how marketer should satisfy the consumers' quest for authenticity in sequel products. Authenticity maintains the emotional link between the consumer and the object. If marketers can effectively communicate the characteristics of different sequels, and influence the trust of consumers by requiring consistency, originality, and symbolism in product style, it will further enhance consumers' purchase intention.

References are available on request.

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Appeal of the Underdog Brand Biography and Consumption Decision on Copycat Evaluations

Komal Nagar, University of Jammu

Keywords: *underdog, top dog, brand biography, brand position, consumption decision*

Description: *Two studies examining the effect of counterfeit brands positioned as underdogs reveal that evaluation of copycats increased with higher degree of similarity, but only when the decision to consume the copycat was public while in comparison, when the copycat was privately consumed, high-similarity copycats were evaluated less positively than low similarity copycats.*

EXTENDED ABSTRACT

Research Questions

Prevailing belief in the copycatting literature suggests that greater the similarity between copycat and leader brand, more positive is consumers' evaluation of the copycat (Warlop and Alba, 2004). However, recent empirical studies indicate that moderate-similarity copycats are evaluated more positively than high-similarity copycats (Horen and Pieters, 2013) because blatant imitation between brands creates consumer confusion (Kapferer, 1995).

The current research aims to demonstrate not only the effect that degree of copycat similarity with the leader brand has on copycat brand evaluation, but also to test the effect that decision to consume a copycat in public will have on consumers' reaction toward the copycat brand. To our knowledge, present research is the first to examine how the degree of copycat similarity with the leader brand influences consumer evaluation of the copycats under conditions of public versus private consumption of copycat brand.

In such a scenario will knowing that your consumption decision is going to be subject to public scrutiny influence your choice of a copycat brand? More specifically, will reflecting that the copycat in fact has succeeded despite being at a disadvantaged position—an effect popularly referred to as the 'underdog effect', affect consumers' evaluation of the copycat brand?

Method and Data

Two controlled experiments, that systematically varied the degree of similarity between copycat and leader brand

across consumption modes and types of brand biographies used by the copycat brand, test our predictions.

Study 1: Sixty students (35 male and 25 females; $M_{\text{age}} = 21.06$ years; $SD = 1.73$) participated in a 2 (similarity: low, high) x 2 (consumption decision: public, private) between subjects design. The target product category was 'sunglasses', with Vogue as the leader brand. A 2 (similarity) x 2 (consumption decision) between subjects MANOVA was used.

Study 2: We conducted study 2 to extend the findings obtained thus far. Copycat literature so far has studied copycat brands presented only as displays rather than as part of a marketing communication. More specifically, none of the previous studies have evaluated presentation of copycats in advertisements. Study 2 probes how the use of a brand biography (underdog versus topdog) by a high-similarity copycat brand affects copycat evaluations under conditions of public and private consumption decisions. Specifically, study 2 tests the prediction that copycats using a topdog brand biography will result in positive evaluation of the copycat brand when the decision is in public domain than when the copycat brand uses an underdog brand biography.

Method

Fifty-eight students (21 males and 37 females; $M_{\text{age}} = 21.05$, $SD = 2.16$) were randomly assigned to a condition of a 2 (brand biography: underdog, topdog) x 2 (consumption decision: public, private) between subjects design.

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Summary of Findings

Whereas previous research has explored the effects of varying levels of visual and thematic copycat similarities with an established brand, our studies show that the evaluation of copycats, in addition to the degree of similarity, is critically dependent on consumers' consumption mode. The evaluation of copycats increased with higher degree of similarity, but only when the decision to consume the copycat was public. In comparison, when the copycat was privately consumed high-similarity copycats were evaluated less positively than low similarity copycats. Two studies using samples of students (who are typical users of the selected product categories), textual (brand name) and visual (package design) brand trademarks similar to the leader brand, established robustness of the findings. Together, the findings provide evidence that consumers' evaluation of copycats differs under conditions of public and private consumption decisions and use of different brand biographies. Results of the present study will be helpful in advancing our understanding of the interaction between the two constructs and its effect on consumer responses beyond that provided by existing literature.

Key Contributions

The two studies also present practical implications both in terms of firms exploiting their underdog vs. topdog brand

biographies, as well as in terms of employing a copycat branding strategy. Previous research has demonstrated that the more similar copycats are to the leader brand, the more positively they are evaluated (Warlop and Alba 2004). The current findings show the crucial role of consumption mode: when consumption decision is in full public view, high-similarity copycats are evaluated more positively, than low-similarity copycats. There is evidence in past researches suggesting that presence of copycats actually help the original brands as copycats have been known to contribute to brand awareness (Shultz and Saporito, 1996), increase 'snob value' of originals (Barnett, 2005), teach consumers to identify prestige brands (Bekir et. al., 2011) and increase consumers' willingness to pay for the originals (Romani et. al., 2012). The present study also indicates how copycats can gain or lose from the use of a brand biography strategy. Our findings hint at the possibility that the evaluation of copycat brands might unexpectedly gain from the use of a topdog brand biography under conditions of public consumption.

References are available on request.

Factors Influencing Men to Purchase Male Cosmetics: An Empirical Study

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Keywords: *male cosmetics, hedonic value, utilitarian value, purchase intention*

Description: *The motivation for men to purchase male cosmetics*

EXTENDED ABSTRACT

Research Question

The purpose of this study aims to explore men's attitude toward male cosmetics. The research questions are going to discuss whether:

1. Hedonic value positively influences men's intentions to buy male cosmetics.
2. Utilitarian value positively influences men's intentions to buy male cosmetics.
3. The attribute of facial attractiveness positively influences men's hedonic value of male cosmetics.
4. The attribute of male identity reflection positively influences men's hedonic value of male cosmetics.
5. The attribute of health care positively influences men's hedonic value of male cosmetics.
6. The attribute of health care positively influences men's utilitarian value of male cosmetics.
7. The attribute of product reliability positively influences men's utilitarian value of male cosmetics.

Method and Data Used

This study used SPSS for data analysis and AMOS for Structural Equation Modeling (SEM). This study examined the self-reported behaviors of individual consumers and their intentions to purchase male cosmetics in a questionnaire. A

survey agency in China conducted the online survey for approximately 60 days in order to locate respondents who had never used or bought male cosmetics. A total of 791 surveys were completed. Removing the invalid or incomplete responses, 415 valid responses were used for this study.

Key Contributions

This study contributes to the literature by providing a more comprehensive and in-depth analysis of men's attitudes toward purchasing male cosmetics. Despite the increasing popularity of male cosmetics, there has been a paucity of academic research analyzing men's attitudes toward purchasing male cosmetics. Indeed, the academic research that has analyzed this segment has examined only one behavioral attitudinal construct, intention to buy. This study broadens the analysis of previous studies regarding men's purchasing intentions of male cosmetics by analyzing two additional constructs, hedonic value and utilitarian value, in order to better explain how these constructs affect men's decision to buy male cosmetics.

Summary of Findings

The findings confirm that a strong correlation exists between utilitarian and hedonic values and men's intentions to purchase male cosmetics. That is, men's motivation to buy male cosmetics is affected by their hedonic and utilitarian values directly and the four independent variables indirectly.

References are available on request.

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Rethinking Narrative Transportation for Geo-Mediated Narratives: Catching Pokémon Right Inside Our Everyday World

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Andrew Smith, Suffolk University

Keywords: *augmented reality, mixed reality, geo-spatial media, narrative transportation, Pokémon Go*

Description: *This paper examines how the experience of narrative transportation differs when brand stories are emplaced in the physical world amidst a nexus of spatial and social relations, instead of a separate imaginary story world.*

EXTENDED ABSTRACT

Research Question

In this research, we explore the mechanics of narrative transportation when a story is told and experienced through geo-media that create a mixed reality. In doing so, we answer the question: how does the experience of narrative transportation differ when brand stories are emplaced in the physical world amidst a nexus of spatial and social relations, instead of a separate imaginary story world?

Method and Data

We study narrative transportation in the context of Pokémon GO through unstructured, in-depth interviews. We interviewed a total of 19 respondents in two waves to account for prolonged gaming and narrative experience. 13 informants were interviewed during August and September, 2016, and an additional 6 informants were interviewed during October and November, 2017. Our interviews focused, broadly, on understanding consumer experience with Pokémon GO. The interviews lasted, on average, 60-90 minutes, and were transcribed, coded, and analyzed. It was through the iterative coding and analysis process that we came to focus analytically on narrative transportation. To further inform our understanding of the phenomenon and data, we also actively played the game and read media coverage.

Summary of Findings

Geo-media enable storytellers to emplace narratives in the physical world amidst a nexus of spatial and social relations.

Under these conditions, transportation morphs from being a mental journey in an imaginary, external world into a joint cognitive and embodied process that interacts with the life-world of the consumer. In our findings, we explore the experience of narrative transportation with geo-media, along with the factors that support it. We describe our findings through the following four themes:

Geo-media enable a form of (theme 1) dual-move transportation: the narrative moves into the physical lifeworld of the consumer, just as the consumer moves into the story world. The question with transportation through geo-media thus becomes: how do stories come to be stabilized in the physical world and accepted as a part of everyday life? We answer this question through our discussion of themes 2-4, which in more detail explore how consumers emplace the narrative in the physical world (theme 2), validate the locative content through engaging in social experiences (theme 3), and engage in embodied practices such as travelling around the hybridized physical-story world (theme 4).

Key Contributions

In this research, we explored how to conceptualize narrative transportation when a story is told using geo-media, creating a mixed reality through emplacing a story world within the story receiver's world of lived experience. We have found that narrative transportation, in this case, involves more than just creating mental imagery to access a separate world. It

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involves embodied practices and mental acts of validation that create and stabilize a mixed reality in which the story world “feels real” as it is seamlessly emplaced in the physical world. Narrative transportation in mixed reality thus requires

researchers and marketers to rethink the environment in which a story is consumed, as well as how the story is produced.

References are available on request.

Why Do People Give Gifts? Gift-Giving Motivations Scale Development and Cross-Cultural Validation

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Keywords: *cross-cultural, gift-giving, gift-giving motivations, scale development*

Description: *Across five studies, we develop a gift-giving motivations scale based on a comprehensive review of past research, two focus-group interviews, and survey data collected from British, Indian, and U.S. participants.*

EXTENDED ABSTRACT

Research Question

Gift-giving behaviors were initially examined by anthropologists (Mauss 1969) and sociologists (Schwartz 1967). Scholarly attention to gift giving was not so prominent amongst consumer researchers until the core subject matter of marketing has been conceptualized as a human exchange behavior (Bagozzi 1975), of which gift giving represents a special and specific form.

Prior research has revealed a number of gift-giving motivations based largely on Sherry's (1983) continuum of altruistic versus agonistic motivations (Babin et al. 2007; Goodwin et al. 1990; Park 1998; Sherry 1983; Wolfenbarger and Yale 1993). Nonetheless, the classification logic developed in prior research for theorizing gift giving motivations are somehow conceptually incomprehensive or operationally incomplete. Extant works have focused on a selected set of possible gift-giving motivations and operationalized them via single-item measurements rather than via psychometrically developed scales.

The purpose of this study is twofold. First, we propose a list of motivations of gift-giving based on a comprehensive review of previous research and two focus-group interviews. Second, across five studies, we cross-culturally develop the motivations of gift-giving scale. Our model of gift-giving motivations contributes the past research by

offering a comprehensive list of motivations as well as developing a cross-culturally validated scale to measure gift-giving motivations.

Method and Data

In Study 1a, we conducted two focus group interviews to test that whether our model of gift-giving motivations, which consists of ten motivations, adequately captures the gift-giving experiences of people. The first focus-group consisted of six informants (3 women) from the United States of America, whereas the second focus group consisted of nine informants (5 women) including individuals from Canada, China, India, Indonesia, Japan, Turkey, and the United States of America.

In Study 1b, we invited 55 gift-giving experts, who hold a PhD and regularly publish on gift-giving, to rate the content validity of our item-pool. 11 gift-giving experts agreed to evaluate the item-pool consisted of 150 items. Then, Study 2 further tests the reliability and validity of the scale on 646 U.S. participants. Study 3 tests the cross-cultural validity of our scale based on 280 U.S. participants, 238 Indian participants, and 240 British participants. In Study 4, participants were randomly assigned to a condition in a four-group ($n_{\text{birthday}} = 220$, $n_{\text{Christmas}} = 225$, $n_{\text{mother's day}} = 234$, $n_{\text{valentine's day}} = 238$) split-ballot design. Thus, we check that whether the scale is invariant across different gift-giving occasions.

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Summary of Findings

Study 1a provided an initial evidence that our model of gift-giving motivations sufficiently represents the real-life experiences of informants. Then, we offered motivations of gift-giving model, which consists of ten motivations. Our proposed motivations are (1) motivation of mood improvement, (2) motivation of showing status, (3) motivation of providing economic benefits, (4) motivation of conveying messages, (5) motivation of organizing relationships, (6) motivation of reciprocity, (7) motivation of obeying social norms and gaining social acceptance, (8) motivation of making recipient happy, (9) motivation of obtaining benefits from recipient, and (10) motivation of making recipient displeased. The results of the Study 1b lead us to eliminate 30 items from the item-pool, leading an item-pool with 120 items.

Based on the survey data collected from 646 U.S. participants, Study 2 demonstrated that the scale is reliable and valid. Furthermore, results of the Study 3 indicated that the scale is cross-culturally reliable and valid among British, Indian, and U.S. participants. Lastly, Study 4 showed that the scale has measurement invariance across four gift-giving occasions, including Birthday, Christmas, Mother's Day, and Valentine's Day.

In sum, results of five studies indicated that the gift-giving motivations scale (GGMS) is reliable, valid, and cross-culturally validated.

Key Contributions

Across five studies we provide robust evidence for the reliability and validity of the GGMS consisted of ten dimensions and 50 items. The contributions of the current paper to the literature is twofold. First, previous research (Park 1998; Wolfinbarger and Yale 1993) have measured gift-giving motivations via items that were not developed through rigor and psychometric process. The current paper fills this gap with psychometrically developed GGMS. Second, although past studies have discussed gift-giving motivations by focusing on a particular gift-giving occasion (Babin et al. 2007; Bian and Forsythe 2012; Close and Zinkhan 2006; Fischer and Arnold 1990), almost no evidence exists toward comprehensively understanding why people give gifts. This paper also fills this important gap by proposing ten motivations of gift-giving that are relevant across cultures and occasions.

References are available on request.

Consumer Responses to Power Changes in Narratives

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Keywords: *narratives, power, self-determination, attitude*

Description: *Individuals preferred anados (became powerful) to statikos (remained powerful) narratives; this effect arose because anados narratives inspired a sense of self-determination.*

EXTENDED ABSTRACT

Research Question

The current study considers two dynamic power states: *anados* (a Greek term for ‘upwards going’), which refers to a powerless individual who becomes powerful; and *statikos* (a Greek term for ‘horizontal going’), which refers to a powerful individual who remains powerful. Accordingly, this study aims to answer two questions. First, will reading a narrative featuring an *anados* (as opposed to a *statikos*) character arc increase attitude towards that narrative? Second, will self-determination mediate the relationship between reading a narrative featuring an *anados* character arc and attitude towards that narrative?

Method and Data

Three experiments were conducted to examine how consumers respond to dynamic power states in narratives featuring a superhero (Study 1a, Study 2) and an athlete (Study 1b). In Study 1a and Study 1b, an independent-measures ANCOVA, with general liking for superhero narratives (Study 1a) and athlete narratives (Study 1b) acting as covariates, was conducted to examine whether participants are more likely to have positive attitudes towards a narrative featuring characters with an *anados* (versus a *statikos*) character arc. Study 2 then sought to explain these effects by testing the mediating effect of self-determination. Data was col-

lected via Mturk and was restricted to participants living in the USA.

Summary of Findings

Results from Study 1a confirmed that individuals exhibited a more positive attitude ($M = 4.80, SD = 1.30$) towards the *anados* superhero compared to those presented with the *statikos* superhero ($M = 4.17, SD = 1.52; F(1,234) = 9.06, p < 0.01$). Similarly, the Study 1b findings indicated that participants had a more positive attitude towards an *anados* athlete ($M = 6.07, SD = 0.77$) relative to a *statikos* athlete ($M = 5.67, SD = 1.02; F(1,187) = 9.79, p < 0.01$).

In Study 2, the relationship between the focal movie character’s power dynamics and participants’ attitude towards the movie was found to be mediated by feelings of self-determination. Specifically, findings showed that the power dynamics of the superhero character (*anados* vs. *statikos*) significantly predicted self-determination ($b = 0.37, t = 2.33, p = 0.02$) and attitude towards the narrative, even with self-determination included in the model ($b = 0.36, t = 2.45, p = 0.01$). In addition, self-determination significantly predicted attitude towards the narrative ($b = 0.24, t = 4.5, p < 0.001$). Finally, there was a significant indirect effect of narratives on attitudes toward the narratives through self-determination ($b = 0.09, 95\% CI [0.01, 0.19]$).

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Key Contributions

This research makes an important theoretical contribution by demonstrating how one component of a narrative (i.e., the dynamic power state of a central character) may influence our attitude towards the broader narrative. These findings have implications for how advertisements are designed, which endorsers are selected, and how entertainment-focused products such as movies are structured. From an applied perspective, these findings also demonstrate the potential efficacy of featuring characters with an *anados* power dynamic

for the purposes of inspiring positive feelings, such as self-determination, among a target segment. Finally, the findings have theoretical implications for the broader power literature. While previous work has examined how one responds to the static power states of others, the current study demonstrates that changes in others' power states (i.e., dynamic power) can also affect our feelings and evaluations.

References are available on request.

Crowdsourcing Campaign Advertisements: Creating Products Versus Slogans

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Keywords: *crowdsourcing, consumer empowerment, advertising, perceived customer orientation, new product development*

Description: *Three experiments reveal that although advertisement of crowdsourcing campaigns enhance consumers' perceptions of the company, the effect is much stronger when the content of the campaign is related to new-product-development (NPD) rather than advertising.*

EXTENDED ABSTRACT

Research Question

The practice of integrating consumers into a company's decision-making process (i.e., crowdsourcing) has become highly prevalent in recent years. Companies use crowdsourcing campaigns mostly to come up with ideas for new product development (NPD) or advertising content. However, previous research does not take into account potential differences between new product development (NPD) - and advertising-related crowdsourcing tasks. NPD- related tasks create direct benefits to consumers, such as improving the functionality of a product. However, advertising-related tasks tend to have mostly indirect benefits, such as enhancing the awareness or trial of the brand. Since previous research does not make a distinction between different types of crowdsourcing tasks, we do not know whether the type of task a brand delegates to its consumers (NPD- versus advertising-related) differentially changes consumers' perceptions. This research fulfills this gap and sheds light onto the differential impact of crowdsourcing campaign ads on consumer perceptions.

Method and Data

Three experiments using university students and MTurk subjects

Summary of Findings

Three experiments reveal that although crowdsourcing campaign ads enhance consumers' perceptions of the company,

not all crowdsourcing campaign ads have the same effect. The impact of the ad on consumers' perceptions and behavioral intentions is much stronger when the ad content is related to new product development (NPD) rather than advertising content generation. The differential effect is due to consumers' perception that NPD-related campaigns are more useful in helping the company acquire information about consumer needs, which may boost the benefits that consumers derive from the company.

Key Contributions

The current research contributes to the crowdsourcing literature by (1) highlighting the impact of the initial stage of crowdsourcing campaigns, that is the advertisement of the campaign, on consumer perceptions, (2) making the distinction between NPD- and advertising-related crowdsourcing campaign types, and (3) revealing a boundary condition and the mechanism through which the crowdsourcing campaigns affect consumer perceptions.

Furthermore, our findings have important practical implications for marketers. The current research points out that consumers may react to crowdsourcing campaigns as early as the announcement stage. In order to maximize the benefit derived from advertisement of crowdsourcing campaigns, marketers should evaluate whether crowdsourcing campaigns provide direct benefits to the consumers. Crowdsourcing campaign announcements do not always seem to create

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value, especially when they are only related to advertising or promotion content generation for the company. Marketers may improve the success of advertising-related crowdsourcing campaigns by explicitly indicating to consumers how the

campaign adds to the understanding of consumers' needs and improves customer orientation of the company.

References are available on request.

New Moderators of the Halo Effect: Consumer Inferences on Negative Packaging Labels

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Frank Kardes, University of Cincinnati

Keywords: *halo effect, consumer inferences, packaging, labeling*

Description: *This paper investigates whether common food labels will elicit a negative halo effect and explores three moderators of this effect.*

EXTENDED ABSTRACT

Research Question

In recent years, calls for labeling addressing food ingredients and processing (e.g., GMO labels) have increased; companies like Campbell's Soup have complied. Given their growing prevalence, it is important to understand the substantive impact of such labels on consumer inferences. Specifically, this research proposes that these labels will create a negative halo effect, biasing consumers' global inferences about the product as well as subsequent judgments and behavior. This extends previous research identifying the power of labels to generate positive halo effects (e.g., Schuldt and Schwarz 2010).

Though the halo effect is a particularly robust phenomena, the current research suggests that encouraging consumers to engage in deeper, more analytic processing may allow consumers to overcome the halo effect. This proposition builds on dual-process models, many of which suggest that consumers generally default to relatively intuitive processing unless greater processing is required. This research therefore investigates three moderators designed to encourage more analytic processing: critical thinking, causal reasoning, and paradoxical persuasion. Specifically, both critical thinking and causal reasoning mindsets may prompt a reluctance to accept information at face value. Paradoxically, statements that are too extreme to be consistent with consumers' prior held beliefs also encourage resistance to persuasion (Swann 1987).

Method and Data

In four studies, the current research assesses whether labels elicit a negative halo effect on inferences and subsequent behavior. Participants completed an evaluation task in which they viewed a fictional product package with either a label or a no-label control. Participants then provided calorie estimates (Studies 1, 3, and 4) or engaged in actual consumption (Study 2) of the featured product before completing a global evaluation measure (Sujan and Dekleva 1987). A variety of products (cereal, candy, and rice) and labels (Contains Food Additives, Contains Artificial Dyes, and Genetically Modified Organisms) were used.

In order to investigate whether increasing analytical processing would attenuate a label-induced halo effect, three situational and dispositional moderators were assessed. Studies 1 and 2 included a dispositional measure of critical thinking (Halpern and Riggio 2003). Study 3 tested the moderating role of causal reasoning mindsets using a priming task. Both cause-to-effect (predictive) and effect-to-cause (diagnostic; Fernbach Darlow, and Sloman 2010) mindsets were evaluated relative to a control. In Study 4, the moderating role of paradoxical persuasion was evaluated via an essay task. In the persuasion condition, participants elaborated on extreme views regarding food dye safety, while in the control they wrote about food products in general.

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Summary of Findings

In Study 1, the label increased calorie estimates relative to the no-label control for low critical thinkers. This effect was attenuated for high critical thinkers. Furthermore, global evaluations mediated this effect. Study 2 replicated this pattern of results with actual consumption; the label reduced consumption and global evaluations, but only for those low on critical thinking. In Study 3, the moderating role of both predictive and diagnostic causal reasoning mindsets was assessed. Absent causal reasoning priming, the label increased participants' calorie estimates relative to the no-label control. However, for participants primed with either a predictive or diagnostic mindset, there was no difference between the label and no-label control. Global evaluations mediated this effect. Study 4 assessed the moderating role of paradoxical persuasion. As in Study 3, participants in the control condition exhibited a negative effect of label on calorie estimates and global evaluations. However, this negative effect was attenuated for participants in the paradoxical persuasion condition. Thus, in four studies, labels had a negative effect on participants' judgments and behavior. This effect was driven by reduced global evaluations of the product. Furthermore, three moderators proposed to increase analytical thinking effectively debiased consumers' judgments.

Key Contributions

Across four studies, using three different products and three different labels, the present research demonstrates a

reliable and consequential negative halo effect. This research extends the current literature in two important ways. First, the current research introduces new moderators of the halo effect, which previous research has established is rather robust and resistant to change. Indeed, negative halos may offer a conservative context in which to examine moderating factors, as negative information is weighed more heavily than positive information. We find that consumers tend to rely on their intuitive judgments, as suggested by the dual-processing model. Further, when consumers process information analytically, i.e. by dispositional critical thinking, priming causal mindsets, or anchoring on paradoxical positions, they are able to overcome the halo effect.

Second, this research examines the power of a variety of ingredient and processing-related food labels to elicit negative halos. A better understanding of such labels is of substantive importance given their increasing prevalence in the market. Policy makers and managers may want to consider the biasing effects of such labels, given that the current research demonstrates the power of common food labels to influence two important consumer outcomes: calorie estimates and actual consumption.

References are available on request.

Visual Perspectives of Ad Pictures: Persuasion Effect and Underlying Mechanism

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Chien-Wei Chen, National Chengchi University

Keywords: *first-person perspective, third-person perspective, construal level, processing fluency*

Description: *This paper investigates the communication effects and the underlying mechanism of ad picture's visual perspective.*

EXTENDED ABSTRACT

Research Questions

We investigate the communication effects and the underlying mechanism of ad picture's visual perspective. Building on construal level theory and imagery perspective model, we propose that construal level is an important determinant of when ad pictures photographed from first- versus third-person perspective will be more effective in influencing consumer evaluation and choice. Specifically, we reason that first-person pictures evoke concrete mindsets and result in favorable attitudes for consumers processing at low construal levels, whereas third-person pictures prompt abstract mindsets and result in more positive attitudes for people processing at high construal levels. We also argue that a match of visual perspective and construal level enhances processing fluency, which leads to favorable attitudes and behavioral outcomes.

Method and Data

We examine our propositions in three experiments. In Study 1 we test and show that consumers processing at high construal levels evaluate the advertised product more favorably when the ad photo assumes a third-person perspective rather than a first-person perspective. Study 2 replicates the findings of Study 1 with real choice behavior by demonstrating that consumers prefer the advertised product vs. non-advertised product when the visual perspective of ad photo matches with their chronic construal levels. Study 3 investigates the fit effect between the visual perspectives of ad pic-

tures and message construal levels, as well as the mechanism underlying this effect.

Summary of Findings

Across three experiments with various products, different manipulation of construal level, and attitudinal and behavioral measures, this research highlights the conditions under which first- and third-person perspective of ad pictures work. Specifically, consumers processing at high construal levels prefer third-person pictures, while those processing at low construal levels prefer pictures taken from a first-person visual perspective. Consumers with high construals choose advertised brands when presented with third-person ad pictures, but choose non-advertised ones when presented with first-person ad pictures. A match between visual perspective and message construal level leads to more favorable evaluations, and such a match effect is mediated by processing fluency.

Key Contributions

This research contributes to the literature in several ways. First, we demonstrate that construal level is important determinant of the advertisement effects of visual perspective. We do so by showing that third-person (first-person) ad pictures generate favorable evaluations and behavioral outcomes when pairing with high (low) construal. In doing so we extend the visual perspective model, which focuses on how visual perspective influences cognition (e.g., Shaeffer,

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Libby, and Eibach, 2015), to show the downstream consequences of visual perspective. Second, we extend work that has proposed first-person pictures enhance persuasion than third-person pictures because the former prompts people to engage in more self-reference. In particular, we show that third-person pictures can heighten persuasion and preference when they are paired with high-level messages. Third, we identify the mechanism underlying the effects of matching construal level with visual perspective of ad pictures by

showing processing fluency as the mediator. Finally, whereas past studies on ad pictures have predominantly discussed attitudinal effects, in this research we observe consumers' choice behavior to show that aligning the visual perspectives of ad pictures with consumer mindsets influences product choice. Therefore, we advance the understanding of the persuasion effect of stylistic property of ad pictures.

References are available on request.

Endorser-Self Distance: Conceptualization, Scale Development, and Validation

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Wyatt A. Schrock, Michigan State University

Keywords: *endorser-self distance, brand endorser, brand, scale development*

Description: *This research paper conceptualizes a new construct- “endorser-self distance” and develops and validates a scale to measure this construct.*

EXTENDED ABSTRACT

Research Question

In this paper we conceptualize endorser-self distance (ESD) as the degree to which consumers perceive that they are close to or far apart from the brand endorser in terms of relevant consumer characteristics and endorser characteristics, such as values, and interest. To the best knowledge of the authors, ESD has never been defined, nor examined empirically. As a result, extant literature on brand endorser effectiveness in marketing lacks a consumer viewpoint. Moreover, without proper measurement, researchers and practitioners lack empirical insight into why some brand endorsers are effective in influencing consumers and why some endorsers are not. Therefore, in this study we develop a measurement of endorser-self distance from the perspective of consumers.

Method and Data

We generated an initial pool of sixteen items from the literature review and related scales that measure connection and similarity-related constructs. Exploratory research was conducted, which included a focus group discussion with West Virginia University undergraduate students. After the focus group discussion, we edited and narrowed down the measurement items for ESD from 16 to 10. Then we conducted a study on Amazon Mechanical Turk to assess the appropriateness of the ESD items and the dimensionality of the ESD scale. We collected data from 193 respondents through Amazon Mechanical Turk, but because of missing data our final sample size was 185. The 10-item ESD scale was analyzed

using principal component analysis (SPSS 24) using a varimax rotation. We used the cutoff .4 as suggested by Hinkin (1998), and dropped two items based on the loadings. According to the recommendation provided by Lawshe (1975), we asked a Content Evaluation Panel to assess the validity of the 8-item endorser-self distance measure. We calculated Content Validity Ratio (CVR) for all the items, and decided to keep five items out of eight. Finally, we provided evidence for both convergent and discriminant validity of ESD.

Summary of Findings

The five items to measure ESD are- (1) brand endorser and I seem to share the same interest, (2) brand endorser is a lot like me, (3) brand endorser has attitudes that are similar to my own, (4) brand endorser and I seem to share the same values, and (5) brand endorser and I communicate in a similar way.

We found that Cronbach’s alpha for the 5-item ESD scale is .807.

Key Contributions

This paper intends to contribute to the marketing literature in the following three ways. First, we offer a first-time conceptualization of ESD. This conceptualization adds value to the marketing literature by distinguishing ESD from other similar constructs such as attitude towards brand endorser, and brand-self distance. Second, we develop and

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validate a scale to measure ESD. The scale development process involves focus group discussion, principal components analysis, content evaluation panel and confirmatory factor analysis. Third, we offer potentially fruitful areas of future research related to ESD. Here, we suggest that the

ESD scale could improve the prediction of specific marketing outcomes (e.g. purchase intention, attitude towards the brand etc.).

References are available on request.

Shades of Green: The Role of Emotions and Temporal Distance in Sustainable Consumption

Aylin Cakanlar, Stockholm University

Keywords: *emotions, temporal distance, sustainable consumption, construal level*

Description: *This conceptual paper aims to extend the understanding of the communication of sustainable consumption by integrating different streams in the literature such as emotions and temporal construal.*

EXTENDED ABSTRACT

Research Question

Companies have devoted much effort to creating and implementing green communication strategies to encourage consumers to buy environmentally friendly products. Given consumers' low adoption of environmentally friendly products (Bodur et al., 2014); extant research focuses on the communication of such products (Olsen et al., 2014). The time framing is particularly germane in the communication of environmentally friendly products because emphasized environmental benefits through communication are geared to either the future or present (Chang et al., 2015), which is also connected to the construal level (Trope and Liberman, 2003, 2010). Moreover, emotion literature also demonstrates that temporal focus could affect people's affective state (Mogilner et al., 2012); therefore, temporal frame needs to be matched with the right emotional appraisal (Bulbul and Menon, 2010). However, how emotions in interaction with the temporal frame might be driving or hindering sustainable consumption through messaging is unknown. This raises the research question of this paper "*how do message frame and temporal construal interact to elicit consumers' emotions in the context of sustainable consumption?*" This conceptual paper aims to answer this research question and extend the understanding of the communication of sustainable consumption by integrating different streams in the literature such as emotions and temporal construal.

Summary of Findings

The discussion based on these literature streams—regarding construal level theory and emotion and message framing—suggests that current research does not examine these two

important issues closely enough. One of these issues is concerned with emotional appeals in the communication of sustainable consumption; the studies about emotions in generic consumption behavior have improved the understanding of their influence but the current literature in the sustainable consumption context focuses mostly on the cognitive mechanism of the message frame (Amatulli et al., 2017). However, emotional appeals in generic consumer behavior are found to be stronger at driving consumers through communication (Bulbul and Menon, 2010). Therefore, researchers are calling for further research to integrate emotional appeals in the context of sustainable consumption. (Antonetti and Maklan 2014; Amatulli et al., 2017). The second issue is the examination of the linkage between temporal distance and emotions toward sustainable consumption, which is important because environmental degradation will affect future generations, and the effect of sustainable behavior on environment is temporally distant from the actual behavior (Hormouth, 1999). However, whether message framing in sustainable consumption should be framed as present-oriented or future oriented and how these types of frames elicit emotions remains unknown. The discussion based on the literature review of these different streams indicates that under different circumstances, abstract emotions combined with a temporal distant message might be effective, but the question is whether these kinds of messages are mostly effective for attitude, as they can be helpful for showing the bigger picture in the distant future. Concrete emotions combined with temporal proximity messages might trigger consumers to purchase such products. These two models, including either specific concrete emotion or

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abstract emotion, can be examined in relation to gain/loss message framing, which can offer important insights regarding the communication of environmental friendly products.

Key Contribution

The key contribution of this paper is bringing together the literature of temporal construal, emotion and message framing in the context of sustainable consumption, to offer a holistic view regarding these three distinct concepts in the context of sustainable consumption. The lack of conclusive findings for the message framing in the context of sustainable consumption and the attitude-behavior gap at the heart of the literature indicates a need for a more holistic

approach. It can be observed in the literature that different streams focus distinctively on message framing and emotions or construal level and message; therefore, this study attempts to integrate the scattered literature into a more holistic approach, which yields important insights regarding sustainable consumption communication and future research suggestions. Building a bridge between these different streams regarding the temporal construal, emotions, and message framing in the context of sustainable consumption provides another perspective to see the broader picture of sustainable consumption.

References are available on request.

Proposing an Integrative Framework of Green Purchase Intention: A Conceptual Paper

Anh Thu Nguyen, RMIT University Vietnam

Keywords: *green purchase intention, antecedents of green purchase intention, integrative framework*

Description: *A review of the recent literature on green purchase intention is conducted to uncover potential antecedents of green purchase intention in a holistic approach, following the motivation—ability—opportunity direction, to propose an integrative framework of green purchase intention.*

EXTENDED ABSTRACT

Research Question

This paper is to propose an integrative framework of green purchase intention. The key questions are:

1. What is a new holistic approach to examine green purchase intention?
2. What are internal psychological and external contextual social factors potentially influencing consumers' green purchase intention?

In the green consumption literature, green purchase intention refers to a consumer's willingness to give preference to green products (Nik, 2009). In this paper, behavioral intention is defined as the inclination to purchase green product alternatives. Prior research on green purchase intention has examined a wide range of factors, ranging from the individual level of demographic and psychological variables to the macro level such as social and cultural value orientations (Leonidou et al., 2010). Liobikienė et al. (2016) reported that the main factors included in the majority of studies on green consumption are internal psychological variables. Few studies have been reported as using a holistic approach to include internal psychological and external contextual social factors to explore what factors have significant influences on green purchase intention. Considering this limitation, we propose an integrative framework of green purchase intention. This proposed framework is expected to provide directions to researchers and practitioners about some most important factors of green consumption.

Method

A review of the existing behavioral models used to explain green purchase intention and behavior (GPIB) in recent studies is undertaken to provide theoretical foundations for building an integrative framework. As we aimed to build an integrative framework of green purchase intention for further empirical investigations, this review was only focused on empirical or evidence-based research. Twenty-five studies on GPIB in highly ranked journals were reviewed. We found that Theory of Reasoned Action (TRA) (Fishbein and Ajzen, 1975) and its extended version Theory of Planned Behavior (TPB) (Ajzen, 1985) are the two most commonly used theoretical approaches applied in recent GPIB studies. The percentage of explained variance of green purchase behavior and intention in the reviewed studies varies within a 16–74 percent range, which demonstrates there is still room to gain a more complete understanding of the phenomenon. We found that most recent studies on GPIB focused their scope of research on internal psychological factors and few studies applied a holistic approach to predict green purchase intention. We thus took a holistic approach to propose an integrative model of green purchase intention, following the motivation—ability—opportunity (MAO) approach opened by Ölander and Thøgersen (1995).

Summary of Findings

We develop an integrative conceptual framework, based on the MAO approach with the inclusion of variables identified from our literature review. This framework includes

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variables identified and hypothesized to have relationships. In the direction of motivation, three factors have been identified from the literature review: environmental involvement, environmental self-identity and product involvement. In the direction of ability, there are two factors: environmental knowledge and perceived financial constraints. In the direction of opportunity, we identified two factors from the existing literature, which are perceived availability of alternatives and perceived time pressure. The antecedent factors identified from the literature are not necessarily built as sub-constructs of motivation, ability and opportunity. Instead, these antecedent factors are proposed to be examined directly in association with green purchase intention in the causality flow. Social descriptive norms are also included in the proposed model. In addition, green purchase intention is predicted to have positive relationships with willingness to pay and shopping effort. Such knowledge of intention-willingness to pay-shopping effort relationships is expected to contribute to the explanation of the gap between intention and behavior. Research propositions are then developed to capture potential associations among the factors in this integrative conceptual framework of green purchase intention.

Key Contributions

Previous researchers have highlighted the importance of understanding green purchase intention. This paper attempts

to provide insights into its facets, thus, providing useful input for the investigation of green purchase intention.

There are potential benefits of the proposed framework. First, green purchase intention could be explored and predicted from both internal and external perspectives. The contribution of this paper is the development of an integrative framework of green purchase intention that embraces internal psychological and external social situational factors, which have been rarely empirically tested together. Second, this framework could help potentially identify which (internal or external) factors having significant impacts on green purchase intention, thus, could provide useful input to researchers and practitioners striving to stimulate green consumption. This paper, therefore, invites empirical studies to test the proposed conceptual framework. This framework is open for expansion to include alternative factors having potential relationships with green purchase intention. Researchers in the field may consider the proposed framework in future empirical studies to test its applicability in their research contexts. Potential findings from future evidence-based studies can offer useful insights as to how to predict green purchase intention and how to promote green purchase behavior.

References are available on request.

Being Granted a Moral License by “Liking” Postings from a Nonprofit

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Keywords: *social network service, nonprofit, charity organization, moral licensing*

EXTENDED ABSTRACT

Research Question

Charity organizations use Social Network Services such as Facebook and Twitter to connect with potential donors and supporters and encourage their participation. When such organizations share news on their activities through postings or tweets, their SNS followers will often click “like.” Normally, such behavior would be seen as favorable to the charity organization. However, this research investigates whether such action as clicking “like” button on a facebook page can actually do harms to charity organizations. We show that the behavior of clicking a “like” button could reduce actual donation behavior through the moral licensing effect.

Method and Data

In our empirical study, we varied the types of nonprofit organizations for target of benevolence (children vs. human right). We expected that liking postings would affect individual’s intention to help the needy. Specifically, we tested the prediction that moral licensing effect would occur when the type of the benevolences is similar, which could then lower people’s concerns about acting morally (e.g., donations and charitable giving).

One hundred twenty nine undergraduate students (73 males, 56 females; mean age = 22.8) participated in this study in exchange for course credit. This study was a 2 (licensing: liking action vs. control) x 2 (nonprofit’s type: children vs. human right) between-subjects design. We randomly assigned participants to one of the four conditions. Seats were assigned so that the subjects could participate in the experiment independently without being disturbed by the persons seating next.

Participants were told that the purpose of the study was to investigate an effect of using facebook from nonprofit organization. Next, they were asked to read a brief explanation about one of the two organizations. We chose save the children as a nonprofit organization for children and amnesty as a charity for human rights. In the liking action condition, participants were asked to click “like” buttons at least 2 postings they want to share with their friends. Participants in the control condition were told to take a close look at the facebook and do not click “like” button on any postings. After viewing the facebook, all participants proceeded to answer some filler tasks and responded to questions about intention to help: “It is very likely that I will donate,” and, “It is very likely that I will do volunteer work.” Responses to these two items were combined into a willingness to help measure ($\alpha = .87$). The participants’ willingness to help were measured using a 7-point end scale. After finishing these questions, all participants were debriefed.

Key Contributions

This research contributes to the literature on social network services and non-profit organizations. Normally, creating and utilizing social network services considered to be beneficial for companies and organizations. However, we show conditions in which such services could be harmful to non-profit organizations. We explain the potential negative effects of social network services on charity organizations through the moral licensing effect.

Summary of Findings

We found that when people focus on types of nonprofit organizations for target of benevolence (children, human right), it can negatively influence their decisions (Experiment 1), and we also showed that the process of this nega-

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tive decision-making was influenced by individual standards for good deeds (Experiment 2). The findings of this research demonstrate that the benevolence experience on SNS makes people feel moral licensed and is connected with actual behavior (decision-making). In particular, when the category of benevolence is highly associated with subsequent decision, people are less likely to donate.

We also found that moral licensing through SNS is affected by individual standards for moral deeds. Therefore, the findings of the current research provide insight into the indirect process of moral licensing and the depth of consumer decision-making.

References are available on request.

When Political Brands Violate Moral Foundations: The Role of Regulatory Focus

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Keywords: *moral foundations, regulatory focus, political brand; consumer judgment, brand-consumer relationships*

Description: *Bringing together literature from moral foundations, moral dumbfounding, and regulatory focus in a political context, the present research examines the moderating role of regulatory focus on individuals' ability to separate risk and morality in their brand-related judgments.*

EXTENDED ABSTRACT

Research Question

Focusing on two different moral foundation violations (i.e., purity vs. authority), this research examines the role of regulatory orientation in moral judgments and studies whether or not the centrality of moral code to the brand enhances negative evaluations of the moral violation.

Method and Data

Three experiments were designed to test the interaction between risk and regulatory focus orientation on brand evaluations (study 1 and study 2) and whether a brand-centric (vs. non-brand-centric) moral violation will result in lower brand evaluations (study 3). Before conducting the studies, a pretest was run to create risk conditions within an authority moral violation and test the purity violation for use in the main studies examining political brand evaluations.

Study 1 (n = 139 U.S. citizens recruited via Mturk; M; 51% female; $M_{age} = 39$ years) consisted of two manipulated factors: regulatory focus (prevention vs. promotion manipulated via an essay writing task) and risk condition (mitigated vs. not mitigated designed based on pre-test results). Study 2 (n = 135 U.S. citizens recruited via Mturk; 58% female; $M_{age} = 38$ years) consisted of two manipulated factors: regulatory focus prime (prevention vs. promotion manipulated via a video ad for a political brand) and risk (mitigated vs. not mitigated). Study 3 (n = 127 U.S. citizens recruited via Mturk; 57% female; $M_{age} = 36$ years) consisted of a regulatory focus

prime manipulation (similar to Study 2) and a moral dumbfounding scenario (purity vs. authority subversion).

Summary of Findings

Across three experimental studies, the results indicate that prevention-focus individuals tend to separate risk from the morality aspects of the behavior in their judgments. As such, having a prevention (vs. promotion) orientation results in less damage to the consumer-brand relationship as long as risk has been mitigated (studies 1 and 2). Investigating two important moral violation types (i.e., purity and authority), the findings suggest that moral violations more central to the brand's identity (e.g., authority for political brands) result in more damage to the consumer-brand relationship (study 3).

Key Contributions

This research enhances the political marketing literature by drawing on regulatory focus theory, moral foundations theory, and moral dumbfounding to contribute to extant understanding of the dynamics of political brand evaluations in the midst of moral violations. The findings suggest that moral violations can be deemed less harmful to political brands if they do not violate central values of the political brand, if the brand is able to avoid negative consequences and mitigate risk, and if the political brand can facilitate a prevention mindset in consumers. Moreover, this research contributes to the dialogue on moral violations, risk, and moral dumbfounding by demonstrating that political brands

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can reduce negative judgment through risk mitigation. Lastly, the research uniquely provides evidence that moral violations should be evaluated in light of their relationship with the brand. Past research finds that moral violation type is separated in binding and non-bindings foundations (Schwedder et al., 1997) which will influence different

societies (i.e. western vs. non-western) or individuals by political orientation (Graham et al., 2009; Iyer et al., 2012). However, this research suggests that judgments following a moral violation will depend on the values of a brand.

References are available on request.

“Yes, I Can” or “No, I Can’t”: Effect of Extraneous Affirmation and Negation-Evoking Contexts on Brand Recall Memory: The Role of Semantic Activations

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Keywords: *negation induced forgetting, recall memory, spreading semantic activation, consumer judgments, context effects*

Description: *This article examines the effect of an extraneous negation (vs. affirmation) on brand recall memory, and the underlying psychological process leading to impaired memory associated with such negations.*

EXTENDED ABSTRACT

Research Question

Betty is watching a reality show on television. During the course of the show, she sees several brands being advertised. Immediately after watching an advertisement for a brand of breakfast cereal, she watches another advertisement of a fast-food brand that asks viewers whether they are aware of its social marketing initiatives. Engrossed in watching TV, Betty instinctively answers in the affirmative (i.e., “Yes”) or negative (i.e., “No”), depending on whether or not she is aware of the fast-food brand’s social marketing initiatives. Moments later, she is in the kitchen preparing a shopping list trying to draw up a list of items from her memory. While doing so, she is trying to come up with the names of breakfast cereals in her head. Will she recall the breakfast cereal brand that she saw in the advertisement minutes earlier? Or, is it likely to be influenced by her affirmative/negative response induced by the fast-food brand’s advertisement?

The research question of interest is, whether Betty’s affirmative/negative response to the advertiser’s query, would influence her brand recall memory for the breakfast cereal. At a broader level, we investigate how affirmations/negations

evoked by entirely extraneous brand contexts, unrelated to the product/advertisement, influence brand recall memory.

Method and Data

Seven experiments document that an entirely objective and extraneous negation- (vs. affirmation-) evoking context is powerful enough to impair brand recall memory. The underlying psychological mechanism leading to this effect is also explored. It is theorized and shown that extraneous negation-versus affirmation-evoking contexts induce lower and higher judgments of importance, respectively. Such induced lower (higher) judgments of importance subsequently impair (enhance) brand recall memory. The findings are robust, and hold even when extraneous affirmation/negation is primed through cognitive embodiment (nodding/shaking of the head). Furthermore, this effect also holds when people use concepts semantically related to “Yes” and “No,” rather than explicitly saying “Yes” and “No.” Consequently, we examine the role of semantic activation, and its mediating influence, by focusing on the effects of “negation” on consumers’ “judgments of importance,” and its subsequent influence on memory. Using spreading semantic activation, we hypothe-

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size and empirically demonstrate that a negation (affirmation) leads to lower (higher) judgments of importance, which in turn inhibits (enhances) recall memory. We also show that there is no effect of extraneous negation/affirmation on brand recall memory when consumers are motivated to remember the brands. The results have implications for working memory, negation-induced semantic activation, consumer judgments and context effects on brand placements.

Summary of Findings

We conducted seven laboratory experiments to validate our hypotheses, all of which were supported. Experiment 1 shows that an extraneous negation (*vis-à-vis* an extraneous affirmation) elicited by a brand's placement context impairs subsequent brand recall memory. Experiment 2 shows that consumers' motivation to remember moderates the effect observed in experiment 1. Experiment 3 provides convergent evidence from an embodied cognition perspective. Experiment 4 shows that semantically activating negation-related concepts has a similar effect on the judgment of importance as the real experience of explicitly saying "No." Moreover, such judgments of importance are lower than that caused by semantically activating affirmation-related concepts and explicit affirmation. Experiment 5 shows that the effect of saying "No" on the judgment of importance may be eliminated when the semantically salient concepts are inconsistent with the experience of saying "No." Experiment 6 shows that accessibility of negation-related concepts mediate the effects of saying "No" on the judgment of importance. Finally, Experiment 7 shows that higher judgments of importance lead to higher brand recall compared to lower judgments of importance.

Key Contributions

Our research is the first to show that an entirely unrelated negation and affirmation in a brand's placement context can influence consumers' brand recall memory. We show that this occurs via the semantic activation of mental concepts related to negation (such as "nullify," "contradict," etc.) – something that has not been demonstrated previously. The principal contribution of our work is the investigation of the underlying mechanism and the convergent evidence we provide for it.

Building on previous research on negation, we propose a conceptual model for how negation-evoking versus affirmation-evoking extraneous contexts influence brand recall memory. Central to this conceptualization is the notion that when extraneous contexts evoke a negated (*vs.* affirmative) response from consumers, consumers spontaneously generate semantic associations related to the negated (*vs.* affirmative) response, which through a spreading activation mechanism influences consumers' "general judgments of importance" and in turn their brand recall memory.

To our knowledge, we are the first to demonstrate a probable reason as to *why* extraneous negation leads to cognitive inhibition and impaired memory. Additionally, we demonstrate in a marketing context that memory based recall of brands may be influenced by such extraneous affirmation- and negation-evoking contexts. This finding has important implications for brand managers.

References are available on request.

When Dishonesty Makes Us Apart or Close: A Reflection on Consumer-Brand Relationship

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Keywords: *befooled, dishonest behavior, ambiguity, guilt, exposure frequency, consumer-brand relationship*

EXTENDED ABSTRACT

Research Question

This paper aims to investigate the relationship between consumers' feelings of being fooled by their favorite brand and their tendency to get even by cheating the brand (consumer dishonest behavior) via a mechanism of self-compensation, and its ultimate effect on consumer-brand relationship in terms of attachment, commitment and trust.

Method and Data Used

This paper adopts experimental design and collects data via MTurk. All scenario based experiments build upon a case of the favorite clothing brand that the reader has a prior relationship with. The participants are asked to think about their favorite brand while reading scenario and answering a questionnaire. Experiments start and end with questioning their relationships with those brands to see how they are influenced by dishonesty.

In the first two studies, the researchers aim to answer the question of how consumer dishonest behavior affects consumer-brand relationship strength in the presence (Study I) and the absence (Study II) of prior negative consumer experience (i.e. feeling of having been fooled). They also investigate how situational ambiguity regulates the relationship between the feeling of being fooled and dishonest consumer behavior.

The emergent results of the Study I and II led the researchers to conduct Study III to further examine the role of exposure frequency to the guilt stimulus on the link between guilt and

consumer-brand relationship strength in terms of attachment, commitment, and trust.

Key Contributions

The results demonstrate that regardless of being fooled by the brand, consumers tend to engage in a dishonest behavior when it is easy to justify their acts (i.e. being in an ambiguous situation). Although consumers under ambiguous situations do not need to feel befooled to misbehave, feeling befooled still shapes the role of feelings of guilt on consumer's ultimate attitude toward the brand (approach behavior in Study I; avoidance behavior in Study II). Thereby this study posits that the constructive or destructive consequence of feelings of guilt depends on the presence or absence of a negative situation experienced earlier.

Since this study focuses on consumers' relationships with their favorite brands, its results are worthy of contemplation by firms, especially those that treat their customers in a fair manner (i.e. absence of feeling befooled). Because consumers tend to cheat when given the chance and respond with diminishing attachment against the negative emotion (guilt) they feel, brands are under the exogenous threat of customer loss. Moreover, if they are frequently exposed to the wrongfully owned item (guilt stimulus), feelings of guilt become more destructive for more strongly established bonds such as commitment. Therefore, brands should mend their fences and eliminate any existing loopholes that may serve as a chance for dishonest behavior.

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Summary of Findings

In Study I, the researchers find that the emotion of guilt makes people feel responsible when they violate the “do not treat others the way you do not want to be treated” silver rule against the initial wrongdoer (brand) and that in turn produces reparative and approach responses to the brand in terms of higher attachment. On the other hand, in Studies II and III, in which there was no any initial wrongdoer, feelings of guilt produce a reaction of avoidance in terms of lower attachment and commitment.

While feelings of guilt decrease consumers’ brand attachment (Study II), when they are exposed frequently to the

guilt stimulus, their negative effects on the strength of consumer-brand relationships move up into the realm of commitment (Study III). Specifically, seeing the guilt stimulus repeatedly keeps the guilt alive in the memory and so that it damages a consumer’s inner balance more deeply than the interaction between exposure frequency and feelings of guilt becomes more destructive for consumer-brand relationship.

References are available on request.

Role of Brand Identification and Co-Creation in Customer Relationship Management

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Keywords: *attitudinal attachment, behavioral loyalty, brand attractiveness, consumer-brand identification, customer value co-creation, resilience to negative information*

Description: *Do the consumer-brand identification and customer value co-creation play any role in creating brand attractiveness and brand loyalty?*

EXTENDED ABSTRACT

Research Question

The co-creation literature has long acknowledged the strategic importance of brand attractiveness (BA) for inducing customers to involve in the creation process. However, prior empirical research largely ignored the mediating role of consumer-brand identification (CBI) between the relationship of brand attractiveness and customer value co-creation (CVCC). Focusing on the Small and Medium Size Enterprises (SMEs), the current research hypothesizes that brand attractiveness drives customer value co-creation behavior directly and indirectly through consumer-brand identification that leads to develop an enduring relationship with the brand (captured through attitudinal attachment, behavioral loyalty, and resilience to negative information).

Method and Data

The population of this study consists of SMEs customers. Moreover, we applied purposive sampling technique to collect the data for different types of SMEs brands relating to the bakery, boutique, furniture, beauty salons, and printing and composing working across Lahore, Pakistan. The customers of only these types of SME's were selected to collect the data as they continuously involve the customers in the creation process as co-creator(s).

The exact number of customers were unknown so we calculate the appropriate sample size as suggested by Hulley et al.

(2001). We adapted well-established scale to measure the proposed model. Data were collected through a personally administered survey. Furthermore, we applied Smart PLS-SEM to assess the measurement model as recommended by Hair et al. (2013).

Summary of Findings

The findings of the current study reveal that (1) identified consumers tend to be part of the creation process; and (2) involvement of customers in the creation process enhances attitudinal attachment, behavioral loyalty, and resilience against any negative information.

Key Contributions

The findings of this study significantly contribute to the existing literature by identifying consumer-brand identification as the mediator between brand attractiveness and customer value co-creation. Findings suggest that SME's manager should explore the determinants of consumer-brand identification for increasing co-creation. That, in turn, will enhance the customer loyalty and tendency to negate negative information.

References are available on request.

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Does Loneliness Trigger Self-Brand Connections and Brand Love?

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Keywords: *loneliness, need for affect, self-brand connections, brand love*

Description: *This study examines how lonely individuals use non-human agents such as brands to cope with loneliness by falling in love with brands and how do they develop a loving relationship with brands to alleviate loneliness.*

EXTENDED ABSTRACT

Research Question

Brand love has garnered much interest in consumer behavior. Consumer-brand relationship theory posits that consumers fall in love with brands as relationship partners similar to interpersonal relationships. However, little is known about the role brands may play as compensatory means to overcome interpersonal deficits such as loneliness. This special kind of relationship between lonely people and brand is still unclear, particularly when lonely people fall in love with brands. Thus, our research questions are as follows: Could lonely individuals use non-human agents such as brands to cope with loneliness by falling in love with brands? How do individuals develop a loving relationship with brands to alleviate loneliness?

Method and Data

To test the hypotheses in our research model, about 300 participants were approached to complete the online questionnaire. After repeated attempts, only 208 usable responses were obtained. Measures for all the constructs were adopted from existing literature. Since sample size was relatively small and several multi-level mediation paths were required to be tested, we used partial least square based structural equation modeling.

Summary of Findings

This study supports that the development of brand love for lonely people follows the process of falling in love through self-expansion (Aron & Aron, 1986) which is similar to interpersonal relationships. Results showed that need for

affect (both approach and avoidance type) and self-brand connections are the key sequential mediators in the relationship between emotional loneliness, and brand love. Our study shows that brand love is relevant only for those people who feel emotionally lonely, but not socially lonely. Individuals who are experiencing emotional loneliness (i.e., lack of relationship with significant others) would anthropomorphize brands as their emotional partners to manage the self-discrepancy experienced due to unmet intimate relationships. The findings further support the argument posited by Fournier (1998) that brands can be regarded as relationship partners to alleviate loneliness in the consumer-brand relationship theory. Consistent with the need to belong theory (Baumeister and Leary 1995) and attachment theory (Bowlby, 1969), it implies that when humans are not accessible, brands are humanized as lovers to fulfill the need for affiliation and sense of belongingness. As a result, it enhances their self-esteem.

Key Contributions

This study contributes to both theoretical as well as practical contributions. In terms of theoretical contributions, this paper contributes to consumer-brand relationship theory (Fournier 1998) in the specific context of loneliness. Secondly, this study provides the empirical evidence for using brands as compensatory means, in particular, to develop brand love (as a substitute for human love) to reduce loneliness. Thirdly, this study shows the path for the development of brand love as an alternative non-human approach triggered by loneliness and thus goes beyond the traditional

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social approach to reduce loneliness. This study also makes practical contributions in several ways. This research offers a solution for lonely people to combat loneliness. They can use a personal and convenient approach to enhance their perceived social connectedness and self-esteem through brand

consumption. Our study also suggests that brand managers construct symbolic meanings for the brands that portray love for lonely people.

References are available on request.

Best By, Sell By, or Use By? The Direct and Indirect Effects of Expiration Labeling on Intent to Purchase Food Products

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Keywords: *food labeling, food waste, inference making, expiration, activation theory*

EXTENDED ABSTRACT

Research Questions

This research examines questions that are relevant to food retailers and manufacturers, public policy makers, and consumers with critical implications for a substantial issue in marketplace, namely food waste. Specifically, the following research questions are addressed:

1. Do expiration label dates of food products affect consumers' purchase intentions and attribute inferences?
2. Do the effects of expiration label dates on purchase intentions and attribute inferences vary across label type (e.g., sell by, best by, use by)?
3. Which attribute inferences will mediate the effects of expiration labeling on purchase intentions?

Method and Data

Two between-subjects experiments were conducted to examine the research questions. Study 1 was a 5 (expiration labeling: best by vs. sell by vs. use by vs. expires on vs. best if used by) x 3 (date: expires in one week vs. expires today vs. expired a week ago) between-subjects experiment, while Study 2 was a 3 (expiration labeling: best by vs. sell by vs. use by) x 3 (date: expires in one week vs. expires today vs. expired a week ago) between-subjects experiment. The first experiment was designed to assess the effects of expiration labeling on purchase intentions using a scenario based experiment, and the second experiment utilized an actual food product to assess the effects of the labeling on attribute inferences and test mediation. Both studies were conducted using national online convenience samples of U.S. adults

recruited via Amazon's Mechanical Turk. Purchase intentions and attribute inferences were assessed using measures established in prior research. ANOVA (Study 1) and MANOVA (Study 2) was used to address the first and second research questions pertaining to the effects of expiration labeling on these dependent measures. To address the third research question, parallel mediation was tested using Model 4 of PROCESS with 10,000 bootstrap samples (Hayes 2013).

Summary of Findings

In Study 1, the main effect of expiration labeling dates on purchase intentions was significant. Specifically, compared to food labeled as expiring a week in the future, purchase intentions were lower for food expiring the day of the study. Compared to food labeled as expiring the day of the study, purchase intentions were even lower for food labeled as having expired a week in the past. The effect of expiration label type and the interaction of expiration labeling date x type were both nonsignificant, indicating that effects of expiration dates are consistent across label types. Furthermore, Study 2 results demonstrate that expiration dates affect inferences about taste, healthfulness, freshness, and safety. Parallel mediation results show that inferences about taste, healthfulness, and freshness mediate the effect of expiration dates on purchase intentions. Again, the expiration label date x type interactions were nonsignificant, demonstrating that the three expiration label types had consistent effects on the outcome variables.

Key Contributions

These findings provide critical insights into the effects of expiration labeling on consumers' purchase intentions and

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attribute inferences. Findings from two experiments show that expiration label dates consistently affect these key outcomes, regardless of what type of expiration label is used (e.g., “best by,” “sell by”). Given that the types of expiration labels examined are designed to communicate different information, these findings show that consumers rely on the expiration dates when drawing inferences or forming intentions and do not distinguish between the actual meanings of the different labels. Thus, these findings indi-

cate that consumers are potentially misusing some expiration labels. Based on these findings and to limit food waste, the grocery industry and individual food retailers should strategically use expiration labels, contemplate tracking sell by dates using UPC codes, and potentially consider communicating the differences between expiration labels to consumers.

References are available on request.

Which Healthy Eating Nudges Work Best? A Meta-Analysis of Field Experiments

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Keywords: *meta-analysis, health, food, field experiment, nudge, choice architecture*

Description: *We examine the effectiveness of healthy eating nudges using a large-scale meta-analysis of field experiments.*

EXTENDED ABSTRACT

Research Question

It is easy to understand the growing enthusiasm for healthy eating nudges in academic and policy circles. They promise to improve people's diet at a fraction of the cost of economic incentives or education programs and without imposing new taxes or constraints on businesses or consumers. But do they really deliver on this promise? Our study examines the effectiveness of healthy eating nudges using a large-scale meta-analysis of field studies.

Key Contributions

Our work contributes to the many useful existing meta-analyses in terms of (1) scale and scope, (2) method, and (3) categorization of predictors. In terms of scale and scope, we examine more than twice as many effect sizes as the largest existing meta-analysis. This is achieved despite focusing only on field experiments involving actual food choices (vs. perception, evaluation, or choice intentions) and conducted in field settings (onsite cafeterias, offsite eateries, or grocery stores) rather than in a laboratory or online. This allows us to offer guidance to restaurants, supermarket chains, and foodservice companies who want to help their customers eat more healthily but do not know which intervention will work best in their particular context; and to provide guidance for policy makers who need to forecast the effects that these nudges would have in real-world settings.

Methodologically, our meta-analysis differs from earlier ones on three levels. First, we formulate hypotheses about which healthy eating nudges work best and about the effects of eating behavior and of population and study factors. Sec-

ond, to reduce the risk of confounds from univariate analyses, we employ a multivariate model incorporating all predictors simultaneously. Third, we include a three-level analysis to take into account the hierarchical structure of our data.

Finally, we use a more granular predictor structure compared to existing meta-analyses, which either estimated the effect size of a single type of healthy eating nudge or compared the effect of one single difference (say, descriptive vs. evaluative labeling) and which rarely incorporated behavior, population, and study characteristics.

Method and Data

We examine the effectiveness in field settings of seven healthy eating nudges, classified according to whether they manipulate 1) cognition—via “descriptive nutritional labeling,” “evaluative nutritional labeling,” or “salience enhancements”—2) affect—via “hedonic or sensory cues” or “healthy eating prods”—or 3) behavior—via “convenience enhancements” or “plate and portion size changes.” Our multivariate three-level meta-analysis of 286 effect sizes, controlling for eating behavior, population, and study characteristics,

Summary of Findings

Our overall model yields a standardized mean difference (Cohen's d) of .23. Effect sizes increase as the focus of the nudges shifts from cognition ($d = .09$, equivalent to -48 kcal/day) to affect ($d = .24$, -118 kcal) to behavior ($d = .37$, -199 kcal). Interventions are more effective at reducing unhealthy eating than increasing healthy eating or reducing

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total eating. Effect sizes are larger in the U.S. than in other countries; in restaurants or cafeterias than in grocery stores; and in studies including a control group. Effect sizes are similar for food selection vs. consumption, for children vs. adults, and are independent of study duration. Compared to

the typical nudge study, one implementing the best nudge scenario can expect a fourfold increase in effectiveness, with half due to switching from cognitive to behavioral nudges.

References are available on request.

Online Health Information Seeking Behavior and Its Consequences on Health Seekers' Post Search Behavior

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Keywords: *health information seeking behavior, model of goal directed and behavior, health belief model, self-efficacy, perceived susceptibility*

Description: *This study examines the online health information seeking behavior and its consequences on health seeker's post search behavior.*

EXTENDED ABSTRACT

Research Question

This study examines the online health information seeking behavior and its consequences on health seeker's post search behavior, and the research questions are:

1. Do desire to search for health information online, frequency of past online Health Information Seeking Behavior (HISB), perceived benefit of online HISB influence behavioral intention?
2. Does the intention to search for health information online motivate an individual to consult a physician, or self-treat, and/or share the searched information with others for a health condition?
3. Does intention for online HISB mediate an individual's behavior to share the discovered information with others?

Method and Data

Fourteen variables, namely desire, intention, recency, self-efficacy, frequency, perceived benefit, perceived behavioral control, perceived severity, perceived importance of health, perceived barrier, perceived susceptibility, alter condition, visit physician and share information were adopted in this study to examine the hypothesized relationships. A 7-point Likert-type scale was used to increase sensitivity; ranging

from "strongly disagree" to "strongly agree." The snowball sampling approach was implemented in this study; as such, 429 questionnaires were distributed. For data analysis, the Smart-PLS Package was used to conduct tests on the collected data. The descriptive statistics was firstly calculated to form a demographic structure of the sample; composite reliability was calculated to measure the reliability of the items; discriminant validity was then established using Fornell-Larcker and heterotrait-monotrait ratio (HTMT).

Summary of Findings

The results of the study show that there is a greater tendency for individuals to share information learnt than self-behavior. Individuals tend to share information learnt than taking the interventional approach of self-treating their condition or visiting the physician. Past behaviors of searching health information online could develop the habit of acquiring information. Individuals have to make a conscious decision to search for health information online (self-efficacy). The ease of performing a health inquiry online and to understand the information found predicts the behavioral intention. Constructs from the Health Belief Model (HBM) were partially supported, with perceived benefit and perceived importance were found to affect one's desire to search for health information online. Perceived susceptibility towards,

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perceived severity of the possible health condition encountered and perceived barrier towards the behavior have no significant effect towards the desire to search for health information online. Individuals search online given that they have strong orientation to live a healthy lifestyle. Perceived benefits trigger an individual's intention towards post-search behavior, but not the desire. Perceived benefit was also found to have a partial mediating effect on post-search behavior to search health information, self-treat, visit a physician or share the information with others.

Key Contributions

Understanding health information seekers' post search behaviors is essential for improving current services. Past researches have accomplished much work in the field of HISB concerning the factors influencing the behavior (Freimuth, Stein, and Kean, 1989). However, most had aimed to predict the behavior, and limited studies investigated its

outcomes (Myrick, 2017). Thus, this study examined online HISB and its implication on health seekers' post search behavior. For researchers, the findings of this research would help redefine the inter-relationships among these variables and other related variables. Collectively, this study has contributed to HISB theories and relevant models to predict customer behavior. In terms of practical implications, practitioners in the industry should study customers' online health information seeking behaviors; and implement long-term strategies to build a large customer base, based on the driving forces behind their behavior and post-search outcomes. Thus, the findings are insightful for practitioners to better understand health information seekers' post search behaviors, and more importantly uphold better practices and improve their healthcare services to cope with the industry's rising competition, as well as to boost their long-term profit margins.

References are available on request.

Sponsorship and Goodwill: Mega Versus Local Events

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Keywords: *sponsorship-linked marketing, perceived goodwill, local events, sponsor-event congruence, sponsorship duration*

Description: *The present study investigates the effectiveness of sponsoring local events on perceived goodwill whose outcomes vary depending on the levels of sponsorship duration and sponsor-event congruence.*

EXTENDED ABSTRACT

Research Question

According to Kelley's (1973) discounting principle, consumers may evaluate a sponsor more positively when they perceive the sponsor's intention to support an event without any external attribution than when they find the cause through the external attribution. Thus,

H1: A corporate sponsor will generate greater perceptions of goodwill when it sponsors a local sport event than sponsoring a mega sport event.

Since it is hard for local event managers to find independent monetary sources, consumers may perceive it as more sincere when a corporation sponsors a local event for multiple years. Thus,

H2: There will be an interaction between event size and sponsorship duration on consumers' perceptions of goodwill.

Sponsor-event incongruence conditions may mute the effectiveness of event size since consumers may perceive the sponsor's intention as commercial even in a local sport event sponsorship. Thus,

H3: There will be an interaction between event size and sponsor-event congruence on goodwill.

Previous studies have found the positive relationships between perceived goodwill and sponsor attitudes (Dees Bennett, and Villegas 2008) and between sponsor attitudes

and purchase intentions (Speed and Thompson 2000), respectively. Thus,

H4: Consumers' perceptions of goodwill will positively influence their sponsor attitudes.

H5: Sponsor attitudes will positively affect purchase intentions.

Method and Data

Total of 406 respondents recruited from Amazon Mechanical Turk (AMT) in the United States participated in the online survey. Random sampling was utilized in the subject selection process. The present experiment employed a $2 \times 2 \times 2$ between-subjects factorial design: (1) event size (mega and local), (2) sponsorship duration (long-term and short-term), and (3) congruence between a sponsoring brand and a sponsored event (congruence and incongruence). Each participant was randomly assigned to one of the eight news clipping manipulations.

Eight fictitious news clippings were produced to embody each of the eight combinations. Each news clipping contains information that a brand sponsors an event and a description regarding the sponsored event during a specific period. We employed existing sport events and real brands in the stimulus materials to enhance external validity.

To measure goodwill, attitude toward the sponsor, purchase intention, and sponsor-event congruence, Dees, Bennett, and Villegas' (2008), Mackenzie and Lutz's (1989), Yi's (1990), and Speed and Thompson's (2000) scale items were employed, respectively. The event size was measured by a

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three-item, seven-point semantic differential scale. To measure the control variables including soccer involvement and product involvement, Shank and Beasley's (1998) and Zaichkowsky's (1994) scale items were used, respectively.

Summary of Findings

Cronbach's α test generated .740 to .959 values for all measurement items, and ANCOVA results indicated successful manipulations. A dependent variable, goodwill was entered into a three-way ANCOVA with event size, sponsor-event congruence, and sponsorship duration as independent categorical variables, and soccer involvement and product involvement as covariates. The main effect of event size on goodwill was statistically significant [$F(1, 396) = 39.07, p < .001$]. Participants who read news clippings in which corporations sponsor a local event showed greater perceptions of goodwill than did those who read news clippings in which corporations sponsor a mega event. This result supported hypothesis 1. The interaction effect of event size and sponsorship duration on goodwill was statistically significant [$F(1, 396) = 5.40, p < .05$]. This result supported hypothesis 2. The interaction effect of event size and sponsor-event congruence on goodwill was statistically significant [$F(1, 396) = 7.58, p < .01$], thereby supporting hypothesis 3.

According to hierarchical regression analyses, perceived goodwill positively and significantly influenced sponsor attitudes ($\beta = .48, p < .001, R^2 = .379$), thereby supporting hypothesis 4. Sponsor attitudes positively and significantly affected purchase intentions ($\beta = .54, p < .001, R^2 = .426$), thereby supporting hypothesis 5.

Key Contributions

The research findings provide several important academic implications. First, the research findings filled the gaps in the literature by adding empirical evidence of the effectiveness of event size on consumer responses. Second, this study identified how to enhance consumers' perceptions of goodwill by testing possible moderators, which would influence the relationship between event size and goodwill.

The study findings are full of suggestions to marketing managers. First, corporation managers need to pay attention to the efficiency of sponsoring local events. If a corporation invests its budget that was supposed to be allocated to a mega sport sponsorship into multiple local sponsorships, it will be able to reach a variety of diverse, yet extremely targeted, populations. Through this strategy, corporations may reach a similar number of target markets with less expense. Second, as for the results of size-by-duration and size-by-congruence interaction effects, marketing managers need to give wider publicity to the fact that they are sponsoring local events for a long time if they have a long-term sponsorship contract with the events. In addition, marketing practitioners may need to consider sponsoring local or small sport events rather than mega events when the product of the sponsor is not associated with sports.

References are available on request.

Brand Personality and Organizational Personality: Do Consumers Differentiate Between Them?

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Keywords: *brand personality, organizational personality*

EXTENDED ABSTRACT

Coca-Cola, Disney, Nike, Apple, Target—each of these names represent both a *brand* (product or service) and an *organization* (corporation). The characteristics that consumers think of when they hear these names may depend upon whether they think about these names as organizations or brands. The main objective of this research is to examine the issue of whether people associate different human personality characteristics depending on whether they think about various corporate names primarily as brands or organizations. We do this by asking people to rate various corporate names using established and validated scales of brand personality (Aaker 1997) and organization personality (Slaughter et al. 2004). Our research question is important because if the structure of personality characteristics for both brands and organizations are the same, then it will be much easier and more parsimonious for businesses to position their brands and their organizations using a common set of personality dimensions for use in marketing and employment capacities. If the personality structures differ, then an interesting question is why that is so.

Literature Review

Prior research has established that people describe both brands (Aaker 1997; Aaker, Benet-Martinez, and Garolera 2001) and organizations (Slaughter et al. 2004; Slaughter and Greguras 2009; Anderson, Harr and Gibb 2010) using human-like personality trait adjectives.

Brand Personality

The dominant model of brand personality was created by Aaker (1997, p. 347), who defined brand personality as “the

set of human characteristics associated with a brand.” She discussed how brands can be symbolic or utilitarian, and argued that brand personality “tends to serve a symbolic or self-expressive function” as opposed to a utilitarian function (1997, p. 347). Aaker also theorized that an antecedent of brand personality is a brand’s “user imagery,” defined as “the set of human characteristics associated with the typical user of a brand” (1997, p. 348). In her initial study, she followed a rigorous scale development procedure that involved asking participants to use a set of 114 adjectives to rate 37 different brands (e.g., Apple computers, McDonald’s restaurants, Nike athletic shoes), and this process resulted in a five-factor model of brand personality that contains these factors: sincerity, excitement, competence, sophistication, and ruggedness. Importantly, Aaker (1997) claimed that her brand personality framework and scale generalize across product categories.

Although some subsequent researchers have raised concerns about Aaker’s (1997) scale (e.g., Avis, Forbes, and Ferguson 2013; Azoulay and Kapferer 2003; Sweeney and Brandon 2006; Geuens et al. 2009), it continues to be the dominant model of brand personality, and has been used in a variety of empirical studies (e.g., Diamantopoulos, Smith, and Grime 2005; Malär, Krohmer, Hoyer, and Nyffenegger 2011; Siguaw, Mattila, and Austin 1999; Sundar and Noseworthy 2016). However, Sung and Tinkham (2005) measured brand personality among U.S. and Korean undergraduates, and did not reproduce Aaker’s five-factor structure. Instead, they found that eight factors best fit the data, with six factors being common to each country, and two other factors being

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unique. Hosany, Ekinci, and Uysal (2006) used Aaker's scale to measure tourism destinations among British Nationals who had recently traveled outside of the United Kingdom, and they were unable to replicate Aaker's factor structure. Other studies have failed to find clearly interpretable brand personality factors in other settings (e.g., Croatia – Milas and Mlačić 2007). Nonetheless, the scale developed by Aaker (1997) continues to be the primary scale that researchers use when studying brand personality (Eisend and Stokburger-Sauer 2013).

Organization Personality

Like brands, organizations too can be described in human-trait terms, and Slaughter et al. (2004, p. 86) defined personality trait inferences about organizations as “the set of human personality characteristics perceived to be associated with an organization.” Given the high degree of similarity between many brands and the organizations associated with them, one might reasonably assume that the brand personality scale would apply equally well to organizations. Indeed, Lievens and Highhouse (2003) attempted to use Aaker's brand personality scale to measure organization personality among a sample of banks in their study of organizational attractiveness. However, they removed 19 of the 42 scale items (45%) after a sample of 20 Master's students rated them as less descriptive of a bank's personality (three sample excluded items were sentimental, cheerful, and outdoorsy). This is, to our knowledge, the only attempt to use a brand personality scale to measure organization personality, and the only attempt to see whether the brand personality scale made sense when applied to organizations.

Building on the work of Aaker (1997), Slaughter et al. (2004) conducted a series of scale development studies and developed a separate measure of personality trait inferences about organizations (hereafter called “organizational personality” and found that it consists of five factors they labeled: Boy Scout (e.g., family-oriented, attentive to people, helpful, honest), Innovativeness (e.g., creative, interesting, unique), Style (e.g., trendy, modern, contemporary), Dominance (e.g., successful, popular), and Thrift (e.g., poor, sloppy, low-class). Slaughter and colleagues (2004; 2009) argued that individuals' attraction to organizations might depend on the personality trait characteristics that they associate with those firms, and they provided evidence that organization personality is related to three different measures of organizational attraction: general attractiveness, behavioral intentions toward a company, and reputation as a place to work. For that reason, they suggested that organizations should attempt to understand how people perceive their personalities, as this could aid their efforts to find qualified employees. Several other studies have been published on personality trait inferences about organizations (e.g.

Anderson et al. 2010; Chun and Davies 2006; Slaughter et al. 2004; Schreurs, et al. 2009; Slaughter and Greguras 2009).

In addressing our research question of whether people think differently about brands and organizations, we argue that a reasonable approach is to examine the brand personality and organization personality scales of Aaker (1997) and Slaughter et al. (2004). Comparing the two sets of five dimensions, we suggest that several of the brand personality dimensions are quite similar to organization personality dimensions. In particular, Sincerity is similar to Boy Scout, Excitement is similar to Innovativeness, Sophistication is similar to Style, and Competence is similar to Dominance. In addition to these four comparable pairs of dimensions, Aaker's (1997) brand personality model has Ruggedness while Slaughter et al.'s (2004) organization personality model has Thrift. These similarities are quite striking, and one might wonder whether these differences were largely a matter of chance and the differences in the adjectives used in the factor analyses that determined the structures in the scales, or whether there is something more substantial that distinguishes between individuals' perceptions of brands and their perceptions of organizations. It may be that the factor structures for brands and organizations are different primarily because of the specific adjectives used in the scale construction process (and we note that Slaughter et al. explicitly began with a set of adjectives that included Aaker's set of adjectives). It may also reflect the specific brands/organizations that were rated by participants, despite many similarities between the two studies (Aaker included Reebok and Nike athletic shoes, while Slaughter et al. used Reebok and Nike; Aaker used Apple and IBM computers, McDonald's restaurants, and K-Mart stores, while Slaughter et al. used Microsoft, Subway, and Walmart).

In terms of theorizing why people might think about brands and organizations as being similar or different, and hence why the factor structures of personality trait adjectives used to assess brands and organizations might be similar or different, one relevant theory we discuss is the associative network model of memory and brand/organization associations.

The associative network model views memory as an interconnected set of nodes (Anderson 1983). The nodes are knowledge items that are linked to other knowledge items (e.g., Dove may be linked to two nodes – bird and soap). Importantly, the connections between different nodes differ in their strength with some nodes connected strongly and other nodes connected weakly. Further, since nodes are networked, some nodes may be directly linked to the target node and others may be linked indirectly through another node or nodes. When a node in the network is activated

(object is recalled in memory), the activated node spreads the activation to other connected nodes depending on the strength of the links (thinking of dove will activate the nodes bird and soap and both those objects will be recalled in memory). This activation of related nodes is referred to as the spreading activation model of memory and explains why seemingly unrelated thoughts come to mind when thinking about an object (Anderson 1983).

The associative model of memory and the spreading activation models provide a theoretical basis to understand brand and organizational personality. As defined previously, brand and organizational personality are human personality characteristics that people associate with brands and organizations. Therefore, brands and organizations can be viewed as nodes in the associative network model of the memory. These nodes are likely to be linked with various other items, both concrete and abstract objects. For example, brands may be linked with logos, product attributes, user imagery (Escalas and Bettman 2003), affect (Dimofte and Yalch 2011), usage experiences, positioning, etc. Organizations may be linked with some of the same nodes but may also have unique associations such as location, personalities (CEO), work-place culture, salary, media stories, etc.

Based on the spreading activation model, thinking about a name as a brand versus as an organization may activate common nodes but may also activate other nodes that are uniquely associated only with the brand or the organization. This differential access to memory items is argued to allow a person to have a different set of associations when thinking about a name as a brand versus as an organization. This we argue can give rise to differences in personality perceptions.

We are interested in investigating whether individuals perceive brands and organizations differently as defined by their personality. If consumers do not differentiate between brand personality and organizational personality, there is no need to have two different constructs (since they are the same). However, if consumers perceive these two differently, it is important to understand the similarities and differences between these two scales. To answer these questions we test the following propositions:

Proposition 1: The factor structure for brand personality and organization personality differ.

Proposition 2: The brand personality structure will better describe items when people are primed to consider them as brands, while an organization personality structure will better describe items when people are primed to consider them as organizations.

Study

To test our propositions, we conducted an online experiment using the Qualtrics survey platform. Undergraduate students ($N = 378$) from a large Midwestern university participated in this study in exchange for course credit. Participants were asked to rate corporations after being asked to think of them either as a brand or as an organization (e.g., Nike as a brand or Nike as a corporation). To identify the company names to use in this experiment, we first began with lists of companies from Interbrand and the Fortune 500 list. Interbrand is a brand consultancy company that conducts brand valuations each year. Previous research has used the list of global best brands produced by Interbrand for the same purpose as our research (Sung and Tinkham 2005).

Stimuli. We began by generating an initial list of the first 200 companies from the 2014 Fortune 500 list and the 100 best brands from Interbrand 2014 best global brands. The three authors independently rated each name in terms of whether it represented a strong organization identity (e.g., Bank of America), a strong brand identity (e.g., Budweiser, Colgate), or could be seen as having a strong brand and an organization identity (e.g., McDonalds, Nike, Harley Davidson).

The authors identified 73 names as having a strong brand and organization identity. From this list, ten names were selected that were rated by all three authors as being representative of brands and organizations that spanned consumer products (Nike, Apple, PepsiCo, McDonalds), non-consumer products (John Deere, IBM, Boeing), and services (Target, UPS, Verizon). The selected names were similar and consistent with the names that prior researchers have used in their research (Aaker 1997; Slaughter et al. 2004) and were familiar to our participants.

Procedure. Participants were randomly assigned to the brand or organization condition. In order to get participants to view product/corporate names as brands or organizations, we used Sung and Tinkham's (2005) instructions (which are similar to those used by Aaker, 1997). Participants in the brand condition read: "If we asked your impression of a particular person, you might answer with a set of personality attributes. Now, let's think about brands in the same way. For example, you may be asked to rate the extent to which a set of attributes describes [name]. Please ask yourself, if [name] brand was a person, how would you describe him/her?" The random half of participants in the organization condition saw the same instructions expect that the highlighted words were replaced with "organization(s)."

Each participant rated five entities either as a brand or as an organization depending on the condition there were assigned. Nike was a common entity used in both the brand

and organization conditions. The other four companies were selected randomly from the remaining list of nine companies described earlier. The reason that all participants rated Nike was to have Nike as a control brand/organization that everyone saw - a procedure consistent with past research (Aaker 1997). Participants rated only five brands in total because pretests indicated that fatigue set in if they were asked to rate more names.

Measures

The survey items that each respondent completed were the same for all companies and comprised the 42 items from Aaker's (1997) brand personality measure and the 33 items from Slaughter et al.'s (2004) organizational personality measure. Eight items were common to both the scales (e.g., friendly), and after removing duplications, we ended with 67 items. Sample items include down to earth, wholesome, and daring (from the brand personality scale) and active, attentive to people, and boring from the organization personality scale. Participants provided demographic information (age, gender, and ethnicity). In addition, the questionnaire included a question that allowed us to check whether participants were paying attention to the task (select a specific answer on a rating scale.) Eleven participants answered this question wrongly and were dropped from further analysis leaving us with a usable sample of 367 participants.

Results

In order to compare the brand personality model of Aaker (1997) with the organization personality model of Slaughter et al. (2004), we conducted two confirmatory factor analysis. The first was a CFA for the subset of data which included responses when participants considered companies as organizations ($n = 182$) with the five-factor brand personality model by Slaughter et al. (2004). Each participant's answer to each company was considered as one data point. Results showed a good fit for this model, with $(199, N = 904) = 1166.20$ and $p = .00$, comparative fit index (CFI) = .914, root mean square error approximation (RMSEA) = .073, and standardized root mean square residual (SRMR) = .062. The second CFA was on the subset of the data where participants answered questions about companies as brands ($n = 182$), using the five-factor brand personality model of Aaker (1997). This analysis revealed a poor fit, $(809, N = 889) = 6729.414$ and $p = .00$, CFI = .791, RMSEA = .085, and SRMR=.098.

After these initial tests, we ran "mismatched" analyses that tested the brand personality model on the organization subset of respondents, and the organization personality model with the brand subset of respondents. We again found that the brand personality model was a poor fit, $(809, N = 904) = 6077.236$ and $p = .00$, CFI = .785, RMSEA = .09, and SRMR

= .098. The organization personality model proved to be a better fit with the brand data subset, $(199, N = 889) = 1187.256$ and $p = .00$, CFI = .922, RMSEA = .075, and SRMR = .062.

Overall, we found that the organization personality model of Slaughter et al. (2004) provided a better fit to the data regardless of whether participants considered the names as brands or organizations. Our results support proposition 1, but do not support proposition 2. Our results showed that items from organization scale fits better for both brand and organization perceived company names.

Discussion

Given the amount of research showing that how people think about brands and organizations has implications for desirable outcomes such as brand positioning and organizational attractiveness, a variety of research has sought to uncover the structure of personality traits associated with brands and organizations. Our research has investigated the question of whether people think about companies differently depending on whether they consider them as brands versus thinking about them as organizations. If people thought about companies differently, then we would have expected that the brand personality structure would have yielded a better fit to the data provided by participants who were instructed to think about the companies as brands, and the organization personality structure would have provided a superior fit when participants were instructed to think about companies as organizations. Our analyses found little support that participants thought about companies as brands differently than as organizations. Furthermore, we found that the Aaker (1997) brand personality structure was a poor fit to company ratings regardless of how participants were primed to think of those companies, while the Slaughter et al. (2004) organization personality framework provided an adequate fit in both cases.

The associative network model of memory provides one potential explanation for why we did not uncover differences in the personality structure of participants' ratings of companies depending on whether they were primed to think of them as brands or organizations. It may be that the associative networks of concepts activated when people see these company names includes the features of those companies as both organizations and brands to such an overlapping degree that there truly is no meaningful difference between them. If future research substantiates this finding (e.g., using other models and methods), then this would be an important result that helps to unify and integrate the literature on brand and organization personality. Furthermore, it simplifies how companies should think about positioning themselves as brands in the marketplace and as organizations seeking to hire employees and influence stakeholders.

Limitations

One potential limitation of our research is that our participants are university students. Nevertheless, we note that students are both consumers and potential job applicants of many of the firms we asked them to rate (Slaughter et al. 2004; Slaughter and Greguras 2009). Another limitation is that we considered only one brand personality scale (Aaker

1997), and while it is clearly the dominant model used in the literature, there are several alternatives (e.g., Geuens et al. 2009), and future research could use our approach and see whether this brand personality model provides a better fit.

References are available on request.

Antecedents of Loyalty and Propensity to Switch in the High Volume: Low Value Service Context

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Keywords: *service convenience, access convenience, transaction convenience, loyalty, propensity to leave*

Description: *This study examines the impacts of convenience, brand image, product involvement and perceived value on sustainability of the mobile service industry.*

EXTENDED ABSTRACT

Research Questions

This study explores the impacts of convenience, brand image, product involvement and perceived value on the sustainability of the mobile service industry. The following research questions are presented for this study:

1. Do convenience, brand image, product involvement and transaction convenience of the current mobile service provider positively associate with the loyalty of customers towards their current service providers?
2. Is perceived value of the mobile service plan in the given scenario associated with loyalty of customers towards their current service providers?

Method and Data

This study is empirical in nature and employed quantitative methods of analyses. Seven variables, namely access convenience, brand image, product involvement, perceived value, transaction convenience, action loyalty and propensity to leave were adopted in this study to examine the hypothesized relationships. The convenience sampling approach was implemented in this study; as such, 400 questionnaires were distributed. For data analysis, the Smart-PLS Package was used to conduct tests on the collected data. The descriptive statistics was firstly applied to form a demographic structure of the sample; composite reliability was utilized to measure the reliability of the items; discriminant

validity was then established using Fornell-Larcker and heterotrait-monotrait ratio (HTMT).

Summary of Findings

The findings indicated that customer loyalty is influenced by access convenience, brand image, product involvement, and perceived value. Transaction convenience is irrelevant in establishing loyalty among customers. This could be due to the expectation of customers towards transaction as a basic requirement for mobile services across all mobile service brands. In addition, perceived value and action loyalty is negatively related, whereas perceived value is positively related with propensity to leave. The propensity to leave however is influenced by the brand image, product involvement, perceived value and transaction convenience. Transaction convenience moderates the relationship between perceived value and loyalty, but has no significance in moderating between perceived value and propensity to leave. The presence of transaction convenience strengthen consumers' perceived value to stay loyal to the mobile service, however the absence or lack of transaction convenience is insignificant to alter the perceived value of customer.

Key Contributions

A review of literature revealed that limited research has been done to testify the elements of service convenience towards customer loyalty as well as the propensity to leave. The find-

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ings have indicated the actual factors of customer loyalty and the reason for leaving the subscription. The absence or failure of factors that influence customer loyalty does not lead to customers leaving a mobile service provider. Customer loyalty is influenced by the access convenience, brand image, product involvement, and perceived value; the propensity to leave is affected by the brand image, product involvement, perceived value and transaction convenience. Transaction convenience acts as a moderator and strengthens the relationship between perceived value and loyalty. Mobile service providers should work on strengthening the brand

image to enhance the perceived value among customers. Value enhancement of service providers could be in the form of better connectivity, flexible data subscriptions and family packages. The findings also provide theoretical evidence and development of conceptual models for future research. This knowledge is very useful in benchmarking mobile service practices among the industry practitioners to boost long-term business growth, customer retention; and help them to gain sustainable competitive edge in the industry.

References are available on request.

Customer Response to Service Encounter Linguistics

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Keywords: *language, interaction, service encounter, adaptation, loyalty*

Description: *The paper examined how employee choice and use of language influences customer evaluations of interaction quality and its subsequent outcomes.*

EXTENDED ABSTRACT

Research Question

Does the interplay between customer language preference and employee choice and use of language impact customer perception of identity assignment? Does the perceived identity assignment influence customer perception about service outcomes in multicultural service settings?

Method and Data

Data were collected in three contexts. To capture the different possibilities arising from employee choice and use of language, four scenarios were considered in each of the three contexts, leading to four versions of the instrument that were identical except in the ‘scenario’ sections. Respondents were instructed to imagine themselves in the scenario and complete the survey. After exposure to the scenario, the respondents were asked to complete a series of scale items that were identical across the four versions of the survey. Respondents were Hispanic customers of fast food restaurants or post office who had had service encounters in bilingual settings. The scenarios were randomly assigned to the respondents with the aim of having at least 30 effective responses per scenario. The research team intercepted potential respondents in public places, introduced themselves and the research project, secured respondent consent, and administered the survey. After removing the responses which did not pass the screening questions, samples included 149, 143, and 142 responses in the three contexts.

Summary of Findings

In scenarios where employees’ conversation initiation language matched customer preference

of the mainstream language, i.e., English (as opposed to language adaptation), and where employees adapted to customers’ language preference (as opposed to ignoring customers’ language preference), customers perceived higher interaction quality, leading to higher ratings of service quality and satisfaction, which resulted in loyalty, customer brand identification and positive WOM. On the other hand, when customers’ language preference was for the ethnic language (Spanish), they evaluated both scenarios- adhered to (when employees initiated conversation in Spanish) and adapted to (when employees adapted to Spanish) equally. There was no difference in interaction quality evaluations for scenarios where employees used mixed elements from both languages or ignored the customer preference. Customers with high ethnic identification rated interaction quality in mixed/ignored scenarios more favorably than customers with low ethnic identification. Finally, customers proficient in ethnic language rated interaction quality in mixed/ignored scenarios more favorably in both Fast Food and Post Office contexts, when their preference was for the mainstream language.

Key Contributions

The paper examined how employee choice and use of language influences customer evaluations of interaction quality and its subsequent outcomes. By conceptualizing the effects of employee choice and use of language, it provides an insight into the accepted service levels during multicultural service interactions. This study also highlights the need to better understand the implicit nature of linguistic choice in service encounters.

References are available on request.

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The Theory of Principle-Based Marketing: Empirical Investigation and Model Validation

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Keywords: *marketing, strategy, consumer behavior, CRM, societal marketing*

Description: *A novel theory, and associated process model, addressing enduring ambiguities with the conceptualization, application, and measurement of socially-oriented marketing activity.*

EXTENDED ABSTRACT

Research Question

There exist many approaches for incorporating socially-oriented initiatives with marketing activity. However, the benefits of undertaking such activity are neither conclusive nor consistent. Prior studies have found that; such activity may enhance organizational outcomes (e.g. purchase intentions, favorable attitudes), others fail to find such effects and, if effects are found, there is little consensus on either the efficacy, or role, of salient factors contributing to this success. As noted by Johnston and Beatson (2005) further research is needed to better understand (1) how organizations determine the requirements for such activity, (2) the mechanisms to more effectively connect with their intended audiences, and (3) the psychological dimensions that consumers define as salient. Contributing to this lack of clarity is the tendency in prior research to investigate this topic from the viewpoint of specific schools of marketing thought, and with salient constructs tested as discreet entities rather than interrelated factors. In response to these issues the current paper presents a theoretical model coordinating factors associated with socially-oriented marketing activity. The conceptualization and testing of this model serve to investigate the research question: "If incorporating socially-oriented initiatives with established marketing activity engenders favorable organizational outcomes, what are the mechanisms by which this occurs?"

Method and Data

To test the proposed model a series of three experiments were conducted. Each experiment utilized a 3 (commitment:

low/high/control) x 3 (communication: low/high/control) between participants design. The stimuli comprised five variations of an A5 color advertisements with price and brand elements removed to avoid potential confounds. Each study varied across degrees of product involvement. A questionnaire was administered comprised of 11 questions incorporating a total of 28 items. Dependent variables included attitude to the firm and purchase intentions. A series of manipulation checks confirmed that product involvement, and levels of commitment and communication were appropriately manipulated. Participants were drawn from a community sample, university students, and the researcher's peers. Total participant numbers for Studies 1, 2, and 3 were; $N = 239$, $N = 244$, and $N = 297$ respectively. Analyses incorporated descriptive statistics, ANOVA, mediation analysis (Hayes process model 4), moderation analysis (Hayes process model 7).

Summary of Findings

Promising support was found for the proposed model with 23 of the 30 hypotheses supported. The conceptualization of the manifest variables for organizational commitment to a cause were found to predict favorable organizational outcomes, and that these effects increase as a function of commitment. The novel factor (termed cognizance) was found to mediate the relationship between stated organizational commitment and consumer attitudes and purchase behaviors. Support was found for the proposed moderating role of communications in the commitment-cognizance relationship,

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except in high involvement contexts. Additionally, communications were found to have no effect on consumer attitudes and behavior once consumer perceptions (cognizance) was controlled for. Internal congruence was found to predict favorable levels of cognizance in low and high involvement contexts, and external congruence predicted favorable consumer attitudes and purchase behaviors in the low and medium involvement contexts. Instances in which an effect was not found are discussed and presented for future investigation.

Key Contributions

The proposed model combines established but disparate factors related to socially-oriented marketing, and navigates the conceptualization, application, and measurement of such activity in-keeping with established marketing practices and doctrine. The proposed manifest variables of organizational commitment address, in part, the concerns of Dare (2016) for detecting differences between socially-oriented activity merely for public display and that founded on a genuine

commitment. Second, the model combines the interaction between communication and commitment, with the additive effects of internal congruence, to enhance consumer cognizance of principle-based activity. This conceptualization represents an important contribution. To date there is no consensus on the effects of these factors, with prior research conceptualizing communications as having a direct effect on attitudes and behaviors, or a moderating effect on perceptions. Similarly, internal congruence has been investigated under myriad conceptualizations with differing outcomes and consistency. In the proposed framework cognizance encapsulates consumer perceptions of organizational commitment to, and communication of, socially-oriented efforts. Finally, unlike prior studies that test internal and external congruence on undifferentiated outcomes, the current paper finds support for the proposition that internal congruence predicts consumer perceptions (cognizance), while external congruence predicts attitudes and behaviors.

References are available on request.

Determinants of Cause-Related Marketing Participation Intention

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Keywords: *cause related marketing, cause type, donation proximity, awareness, participation, intention*

EXTENDED ABSTRACT

Introduction

Cause related marketing (CrM) links a firm's products with charity causes that pull the target market (Roy and Graeff, 2003). With growing global consciousness and rapid expansion into diverse markets, CrM has been considered as a serious marketing tool by several companies for enhancing brand image and product sales through the promotion of a cause. CrM is considered a phenomenon of social consciousness, where the engagement or involvement with the consumer becomes significant (Broderick et al., 2003). The involvement of corporate in CrM activities have gone upwards phenomenally. The company enhances its image and strongly promotes its products by joining with good causes that reflects the company values leading to better consumer loyalty and raising the reputation (Adkins, 2005). The relationship between the three groups: corporation, cause and consumer were such that the higher the fit level between these groups, the better the results corporations obtain (Gupta and Pirsch (b), 2006).

There are research studies which mainly have concentrated on western countries and lesser number of studies has been done in emerging economy context. This study has been carried out in the Indian context and India was chosen as an appropriate setting given that it was reported by PwC to be one of the fastest growing economies of the world (Shree et al., 2017). CrM has over the years evolved as one of the most established marketing activities (Berglind and Nakata, 2005) and wide range of Indian organizations have adopted CrM as a marketing tool such as TATA Company Limited, Procter and Gamble, Hindustan Unilever Limited and Citibank (Kureshi and Thomas, 2014). There was a strong belief among consumers that companies should make positive contribution to the society through undertaking social responsibilities (Endacott, 2004). The preliminary academic

research findings suggested that consumers were receptive to CrM (Lafferty et al., 2004) and CrM strengthens corporate credibility perceptions (Yechiam et al., 2003). Due to lack of research in Indian context, there is not much understanding with regard to Indian consumers' participation intention towards CrM activities and therefore, it becomes essential to understand the phenomenon. This study intends to investigate the determinants of CrM participation intentions by examining consumer awareness, cause type and donation proximity.

Cause-Related Marketing Defined

CrM is "a process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when consumers engage in revenue-providing exchanges that satisfy organizational and individual objectives." (Varadarajan and Menon, 1988, p.60). The ability to influence consumers through associations with social causes and issues has been considered cause-related marketing. In order to understand the intention of consumers to participate in CrM activities, this study proposes a framework of CrM participation intention based on Murdock's (1985) associative learning theory.

Theoretical Foundation and Research Hypothesis

Associative Learning Theory

Associative learning theory has been advocated to be the best suitable theory for understanding the CrM phenomenon. (Till and Nowak, 2000; Thomas, 2007). Murdock (1985) asserts that associative learning theory can be adopted to better associate the links about how consumers learn about ideas and events while attempting to establish the relationship among these ideas and events in the environ-

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ment. Associations of popular charity organizations were better associated in consumers mind (Meech, 2001). Till and Nowak (2000) had applied the associative links between the brand/ cause and the inferences made by the consumers to establish CrM partnerships. They further utilized the theoretical foundation of the associative learning theory and employed a framework to support organizations to develop strong relationship with the designated cause as well as to realize the CrM marketing goals. Hence, this study in order to understand the determinants of CrM participation intention considers the association learning theory as an underlying theory.

CrM Participation Intention

There have been several studies on consumer responses to CrM. (Brink et al., 2006; Lafferty and Goldsmith, 2005; Gupta and Pirsch (a), 2006; Gupta and Pirsch (b), 2006). Endacott (2004) states that the role of corporate social responsibility has gone at a different level where consumers' participation intentions would be high only if the organizations make positive contributions to the society. There have also been studies which have demonstrated the effect of preference on CrM activities (Ross et al., 1992; Brown and Dacin, 1997; Barone et al., 2000) and which have determined that expressed preference was determined to a greater extent by the attention value of stimuli (Hut, 1975). Studies have shown that elements such as purchase quantity and firm donation amount had effects on CrM participation intentions which further were influenced based on the consumer inferences about the firm (Folse et al., 2010).

The Effects of Consumer Awareness, Cause Type Preference and Donation Proximity on CrM Participation Intention

Westberg and Pope (2005) stated that the consumer awareness of CrM was crucial for a marketer engaged in CrM activities. Research findings have revealed that consumers' acceptability of CrM initiatives was associated to the extent of usage of CrM (Webb and Mohr, 1998) and the consumers' responsiveness was influenced by CrM awareness level (Mohr and Webb, 2001). Thus, the following hypothesis has been proposed:

Hypothesis 1: There is a significant association between consumer awareness of CrM and CrM participation intention.

Research has also identified dimensions on which the engagement in social causes could be defined. They are individual's pro-social behaviors such as charitable contributions and support for CrM which have been found to be positively related (Younand Kim, 2008). Bhattacharya and Sen

(2003) have observed that the organizations aim at developing long term relationship with the consumers with an objective to remain meaningful. One of the ways of meeting this objective is associating with a social cause. The cause preference which marketers should embrace based on their appeal to the consumers is not available (Maignan and Ferrell, 2004). This preference is supported in research through pro-social behavior phenomenon where it is assumed that if the consumer is physically closer to the potential donor, then there is a more likely chance to render help on the part of consumer. (Bar-Tal, 1976). Therefore, this study suggests the following hypothesis:

Hypothesis 2: There is a significant association between preferences of cause type and CrM participation intention.

Donation proximity has been one of the significant areas of investigation in CrM activity undertaken by the organizations. The donation proximity has been defined in literature as the distance between the donation activity and the consumer. However, it has been categorized under the broad heads of national, regional and local causes (Varadarajan and Menon, 1988) which has been adopted in this study. There have been studies which have given consumer preference of local causes importance compared to others (Smith and Alcorn, 1991). However, there are research studies concluding that that causes do not have impact on the purchase decision (Gupta and Pirsch, 2006a). Lafferty (2007) examined the origins of formation of a partnership and found it very difficult to choose amongst many choices of causes and hence, a deserving cause to be chosen becomes challenging for the business. Similarly, the choice of the cause also becomes difficult as it may happen that all causes prima-facie appear deserving for the activity. Moreover, research studies have also investigated the donation proximity to the extent whether it was local, regional and national (Ross et al., 1992; Grau and Folse, 2007). Some studies found that the consumer response towards impact of cause scope which was local, regional and national is uncertain (Grau and Folse, 2007) while some suggest that consumers would prefer to support a local cause rather than national cause (Ross et al., 1992). This study suggests the following hypothesis:

Hypothesis 3: There is a significant association between preferences of donation proximity and CrM participation intention.

Research Method

The primary data for this research study was collected from respondents residing in state of Gujarat in India. According to the State of States Report 2014, Gujarat had pressed itself into becoming the second-fastest growing state for the

period 2000-2013 and comparing per capita Gross state domestic product, Gujarat was the third richest in 2013-14. The McKinsey study of 2014 asserted that if Gujarat were a country with a 10 million-plus population, it would have been probably the third-fastest growth rate in the world. The five cities of a Gujarat - Ahmedabad, Baroda, Patan, Rajkot and Surat were chosen to geographically cover the state of Gujarat in India (North-Patan, South-Surat, East-Baroda, West-Rajkot and Central-Ahmedabad). This would thereby make the sample representative of the Gujarat state's population. The number of respondents was chosen from each of the five cities proportionately based on the population of these cities. The population of the above five cities were taken from the Directorate of Economics and Statistics, Government of Gujarat, India. A final sample of 500 respondents were considered and based on this proportionate population, the respondents were chosen from the respective cities (160 in Ahmedabad, 90 in Baroda, 30 in Patan, 85 in Rajkot and 135 in Surat). A structured questionnaire was prepared for collection of data. This research study considered only respondents of eighteen years or older who were allowed to participate in the study. The respondents possessed a mixture of educational background (school education, graduate, post graduate and professional) in this research study. The sampling technique used in this research study was non-probability sampling technique of quota sampling and convenience sampling. Quota sampling was used with convenience sampling as quota sampling improves representativeness.

The source of information for studying the CrM extent of awareness has been adopted from Barnes (1992). The three print advertisements chosen for examining aided awareness were based on on-going CrM activities and all the three print advertisements were there in the questionnaire. The questions on cause type and donation proximity were based on the extensive literature review done on the CrM participation intention. The data analysis for this research study was undertaken by using the SPSS software (Version 21) and AMOS software (Version 21). The SEM was adopted and the observed variables and latent variables were defined. To observe the latent variable (CrM participation intention), the model was developed to express the latent variables in terms of observed variables. To arrive at this, firstly an exploratory factor analysis was carried out to reduce the number of variables and to examine the underlying constructs in the data. The data obtained was again checked whether it was suitable for this sort of analysis. Secondly, based on the research questionnaire, confirmatory factor analysis was used to evaluate the validity and reliability of the constructs of measurement scales (Hair et al., 2006). Lastly, a sequence of steps using structural equation modeling was employed to test the hypothesis.

Findings and Discussion

The structured questionnaire was self-administered for the investigation in this study. Out of which, 52 percent of the respondents were males and 48 percent of the respondents were females. A sequence of steps using structural equation modeling was employed to test the hypothesis.

The data generated from the 500 respondents was empirically evaluated through a series of analyses found within SEM. SEM can be used as a confirmatory factor analysis tool to test the dimensionality and validity of each construct within the model (Kline, 1998). This analytical tool was also capable of examining a measurement of the latent variables and its dimension (Singh, 1995). SEM permits the assessment of the model's performance as a whole by providing multivariate goodness-of-fit indices and permits the researcher to control for measurement error for each construct in the model (Hair et al., 1992). In this study, the measurement model has been adopted because the objective was to find out the determinants of CrM participation intention, where there was no causation explored and it was only required to find the correlation between the latent variables and further map the measures into theoretical constructs. A confirmatory factor analysis was carried out with all of the constructs included in the measurement model and the constructs were allowed to correlate with one another. AMOS software (Version 21) was used to assess the fit between the data and the model. The model was then run and the results were checked on the basis of the factor loading. The factors loading of 0.5 or above were considered to be acceptable (Hair et al., 2010). In the measurement model results, the indicators which did not satisfy this standard (factor loading below 0.5) were removed from further analysis.

Conclusions and Implications

The purpose of this study was to gain a better understanding of the determinants of CrM participation. This study has developed a CRM participation intention model based on associative learning theory and three constructs – awareness, cause type and donation proximity. The information gathered on determinants of CrM participation intention provides insights to the marketers. The businesses intending to adopt the CrM strategy would find this research output useful while identifying a target market and designing an offer for a particular segment. This study substantiates on specific causes such as education, health and underprivileged (homeless, old age, physically handicapped) that were preferred by the consumers which would allow the marketers to adopt the preferred causes to connect well with the target segment. Accordingly, the marketing practitioners should ideally find the research information related to the donation proximity valuable because respondents have indicated more preference towards national and local causes rather than regional

causes. Moreover, it would also be of interest to the local marketer to connect to local causes for deriving more support and participation intention for CrM activities. Likewise, the companies can also concentrate on national causes rather than regional causes for greater participation intention in CrM activities.

This study has addressed one of the key questions faced today by the marketing managers in the organization – What are the determinants of consumer intention to participate in a CrM activity? This study has several limitations which could be explored and evaluated in future studies on CrM. The sample has its own limitations as it might not be able to represent the whole universe of the country of India. As a part of this research study, it was aimed to develop a model

which highlights the determinants of CrM participation intention but it could always be incorporated with further investigations of other determinants of CrM participation intention. The study has only taken limited demographic variables into consideration and further investigations could be undertaken to include more demographic variables and examine the consequence on CrM phenomenon. Lastly, this study was undertaken in the various cities of Gujarat state and replication of this study in other states in India would further the generalizability and validity of the results. Based on the findings from the current research study, there would be room for studies in India on a larger scale which would validate the final results.

References are available on request.

Utility of Religious Goods

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Ashley Baird, Midwestern State University

Keywords: *religiosity, self-transformation, self-categorization, cluster analysis*

Description: *The paper presented four types of religious consumers and their significant brand preferences differences.*

EXTENDED ABSTRACT

Research Questions

1. What are the types of spiritual consumers?
2. To what extent do the roles of the frequency of spiritual consumption differ between various spiritual consumers?
3. To what extent do the roles of the purpose of spiritual consumption differ between various spiritual consumers?

Method and Data

The study investigated the research questions by employing mixed-method approach—both qualitative and quantitative. In-depth interviews were conducted with 60 participants to identify the type, frequency, and purpose of spiritual consumptions, and consumers' attitudes toward brands with similar religious values. As a result of the in-depth interviews coupling with extensive literature review, three new scales were developed and tested using SEM: religious brand preference, self-transformation, and self-categorization consumers. Next, a quantitative study with 306 participants were conducted to test cluster spiritual consumers into four groups, and test four hypotheses using ANOVA and regression.

Summary of Findings

The study presented four invisible identities (religious, non-religious, self-categorization, and self-transformation) that

are visibly different in terms of life satisfaction, religious brand preference, dollars spending on religious products, and benevolent activities. Not only these differences are present in the frequency but also in the purpose of spiritual consumption. In other words, the purported self-transformation and self-categorization consumers behave significantly different in the amount of money they spend on religious products, their benevolent activities, and their preference for brands that have similar religious values.

Key Contributions

This study empirically delineated four different religious consumer groups with distinctive characteristics in terms of their religious brand preference, dollars spending on religious products, and benevolent activities. Theoretically, the research examined the differences in consumption patterns and purposes of self-transformation and self-categorization consumers. Practically, the findings demonstrated that not all spiritual consumers are the same. The results illuminate further insights on how to market, position, communicate religious products and services to end-consumers.

References are available on request.

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Conspicuous and Inconspicuous Luxury Products: How Do Consumers Choose?

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Keywords: *luxury consumption, conspicuous, inconspicuous, power distance, social attitude function*

Description: *Building on consumer culture and attitude function theory, this study develops and tests a conceptual model that assesses the relative importance of power distance belief as a driver of consumers' different luxury product preferences while mediating by different attitude functions.*

EXTENDED ABSTRACT

Research Question

Traditionally, consumers' preference for luxury products has been largely driven by their conspicuous values, such as symbolizing wealth and social status as those products were exclusive for the wealthy few (Dubois and Czellar 2002; Dubois and Duquesne 1993; Vigneron and Johnson 1999). However, these luxury products have been losing their effectiveness in signaling desired economic and social status for their owners in last few decades, due to the factors such as increased disposable incomes worldwide (Heath and Potter 2004) and similarly high-quality counterfeits (Jiang and Shan 2016). Under this context, more and more consumers are looking for other more innovative ways to signal their desired identity. One of such ways is the consumption of inconspicuous luxury products instead of the traditional conspicuous ones (Eckhardt, Belk and Wilson 2014).

Through this research, we intend to look into the consumption of conspicuous versus inconspicuous products through a systematic examination of the effect of power distance belief (PDB hereafter); one cultural value dimension from Hofstede (2001), refers to individual consumers' expectance and acceptance of power disparity in social interactions) on consumer preference for conspicuous (i.e., with large, prominent, visible, and easy to observe brand logo) versus inconspicuous luxury products (i.e., with small, subtle, invisible, and difficult to observe logo).

Previous research has suggested a positive relationship between PDB and luxury consumption (Lalwani et al., 2014;

Kim and Zhang 2014). For high PDB consumers, the major motives for engaging luxury consumption are demonstrating superior social status to others, so they can be viewed as of favorable ranking in the social hierarchy (Gao et al. 2016; Lalwani et al. 2014). In addition, high PDB consumers have been found to prefer marketing offerings that explicitly signal superior social status for the owners (Samaha, Beck, and Palmatier 2014). On the other hand, low PDB consumers tend to view luxury products as a way to express themselves instead of impressing others (Wong and Ahuvia 1998). Thus, low (vs. high) PDB consumers might prefer less flashy and inconspicuous products, which speak to themselves and their in-groups but not to others (Berger and Ward 2010).

More important, we propose two social attitude functions, social-adjustive and value-expressive, as mediators for the effect of PDB on conspicuous versus inconspicuous consumption. This is because high PDB consumers tend to view products as social marks that reflect their social image, whereas low PDB consumers tend to view the products as an expression of individuals' true tastes (Wong and Ahuvia 1998). In the case of luxury consumption, the social-adjustive attitudes tend to activate consumers public image and status consciousness, which in turn increases consumers likelihood to pursue conspicuous luxury products (Bian and Forsythe 2012; Vigneron and Johnson 2004; Wilcox, Kim, and Sen 2009); whereas the personal-identity and self-expression goals are salient when consumers' value-expressive attitude function is activated, which make consumers prefer inconspicuous products as those products are able to:

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(1) enhance consumers' self view (Park and Sook 2008; Postrel 2010); (2) show self-distinctiveness and uniqueness (Wilcox, Kim and Sen 2009).

To summarize, we propose that the preference for conspicuous versus inconspicuous products is influenced by consumers' cultural value of PDB, with high PDB consumers more likely to pursue conspicuous over inconspicuous products than their low PDB counterparts. Importantly, we argue this effect is driven by two social attitude functions, social-adjustive and value-expressive. That is, high (vs. low) PDB consumers tend to hold a social-adjustive attitude towards luxury products by viewing the products as a way to symbolize desired social status/image to others, which in turn increases their preferences for conspicuous over inconspicuous consumption. In contrast, low (vs. high) PDB consumers tend to hold a value-expressive view of luxury products by viewing the products as a way to reflect self-identity, which in turn decreases their preferences for conspicuous versus inconspicuous consumption.

Method and Data

The study followed a 2 (PDB: high vs. low) x 3 (social functions of attitude: social-adjustive vs. value-expressive vs. control) between-subjects design, in which we manipulated both PDB and attitude function. Each participant was randomly assigned to one of the six experimental cells. Participants first completed the PDB priming task (Zhang et al. 2010) and the attitude function manipulation task (Wilcox Kim and Sen 2009). The order of these two tasks was counterbalanced and the order itself had no significant effect on our dependent measure ($F < 1$). Next, participants indicated their purchase intention for conspicuous versus inconspicuous product (Rucker and Galinsky 2009). Finally, they finished the manipulation checks and demographics.

Summary of Findings

We conducted a full-factorial ANOVA on the conspicuous purchase intention with PDB, attitude function manipulation, and their interaction as the independent variables.

Under the control condition, high PDB consumer showed higher conspicuous consumption than low PDB consumer

by indicating higher purchase intentions for the products with visible and noticeable logos ($M_{\text{highPDB}} = 5.59$ vs. $M_{\text{lowPDB}} = 4.17$; $t(336) = 2.71$, $p = .007$). When both groups had an activated value-expressive attitude, the effect was attenuated, with both high and low PDB consumers showing a similarly lower level of conspicuous product purchase intention ($M_{\text{highPDB}} = 4.23$ vs. $M_{\text{lowPDB}} = 4.39$; $t(336) = -.30$, $p = .77$). In contrast, when both groups had an activated social adjustive attitude, both high and low PDB consumers showed a similarly higher purchase intention for conspicuous products ($M_{\text{highPDB}} = 5.37$ vs. $M_{\text{lowPDB}} = 5.44$; $t(336) = .15$, $p = .88$). Thus, both high and low PDB consumers were similarly more (or less) interested in purchasing the conspicuous products when they were primed with a social-adjustive attitude (or value-expressive attitude). This result confirms the attitude function as an underlying mediator for the PDB.

Key Contributions

Through this research, we contribute to the literature and provide marketing practice guidelines. First, one recent trend in the luxury industry is the fall of conspicuous consumption and the rise of inconspicuous consumption (Han, Nunes, and Drèze 2010), yet very limited research attention has been paid to what drives consumers' preferences for conspicuous versus inconspicuous products (Eckhardt, Belk, and Wilson 2014). This study reveals that Hofstede's culture value of power distance belief is an important predictor of consumer preference for conspicuous versus inconspicuous luxury. Second, this study contributes to our understanding of luxury consumption by examining distinct social attitude functions, and shed light on what really drives the social motivation in luxury consumption. Third, this research intends to provide a guideline for those luxury companies who adopt a global standardization approach (i.e., assuming that consumers from different markets and with different cultural backgrounds will prefer the same luxury products), and demonstrate that although inconspicuous product might have its appealing to low power distance belief consumers, it is less appealing to high power distance belief consumers.

References are available on request.

Conceptual and Empirical Analysis of New Era Signals in Markets with Unobservable Quality: A Cross-Disciplinary Study of Signaling, Agency, and Power Theory

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Keywords: *new era signal, signaling theory, adverse selection, moral hazard*

Description: *The paper introduces a novel concept of customer-provided New era signals and empirically tests a model of how they are sought by customers.*

EXTENDED ABSTRACT

Research Questions

Customers often face difficulty in evaluating the true quality of products or services. In order to reduce customers' uncertainty and to assist their purchase, new market platforms are introduced. As evidenced in the increasing demands for information-sharing businesses, uncertain customers actively seek product information so as to minimize the purchase risks and uncertainty in service markets. Thanks to the development of the customer review platforms, which now exist for nearly all service categories, customers have access to more objective product information free from firms' self-interest. The emerging market environment calls for further academic examination of how customers look for peer-provided signals when facing difficulty in evaluating product/service quality.

The objectives of the present work are a) to introduce a novel concept of customer-provided New era signals as solution for quality evaluation problems (specifically, adverse selection and moral hazard), b) to empirically test a model of how different types of the New era signals (expert advisor vs. referent advisor) are sought by customers when facing such problems, and finally c) to examine how customers' latent needs (cognitive knowledge vs. social trust) emerge in those circumstances.

Method and Data

We conducted two experiments and adopted ANOVA for both studies.

In study 1, one hundred and fifty nine M-Turk volunteers (58% females) participated in a study (ostensibly) assessing their opinions about purchasing a new SUV. They were randomly assigned to one of the three manipulated conditions of the study—adverse selection (AS) vs. moral hazard (MH) vs. control (CTR). We checked the manipulations, measured the participants' need for objective knowledge, and their need for trust using 9-point items.

In study 2, one hundred M-Turk volunteers (52% females) participated in a study (ostensibly) assessing their opinion on laptop repair services. They were randomly assigned to one of the two manipulated conditions of the study—adverse selection (AS) vs. moral hazard (MH). To check for the manipulations, we used four 5-point items, strongly disagree/strongly agree scale. We measured the participants' need for objective knowledge and their need for trust using 9-point items. Finally, we measured the participants' likelihood of seeking new era signals with high expert power and their likelihood of seeking new era signals with high referent power using five and six 9-point items, respectively.

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Summary of Findings

Study 1 was designed to evaluate the participants' need for objective knowledge and trust based on the type of information asymmetry problem they are focusing on (adverse selection vs. moral hazard). The results find support for our hypotheses indicating that when focusing on adverse selection, participants are more likely to feel the need for objective knowledge whereas when focusing on moral hazard, participants are more likely to feel the need for trust.

Study 2 was designed to evaluate the participants' need for objective knowledge and trust as well as their likelihood to seek New era signals with high expert power and referent power based on the type of information asymmetry problem they are focusing on (adverse selection vs. moral hazard). The results find support for our hypotheses indicating that when focusing on adverse selection, participants are more likely to feel the need for objective knowledge and more likely to seek New era signals with high expert power whereas when focusing on moral hazard, participants are more likely to feel the need for trust. Unfortunately, the participants' likelihood of seeking New era signals with high referent power was not supported.

Key Contributions

We conceptualize a novel theory regarding signals developed through the network connection and communication

among the customers (New era signal), which is prevalent and effective especially in markets with unobservable quality. In customer networks, customers share product information and user experience through New era signals eventually affecting other customers' opinions and purchase intentions. Because the New era signals are generated and shared only among customer networks, they are less biased towards the firms' self-interests thus more trustworthy.

Firstly, we fill the gap in signaling literature by shifting the research focus from sellers' to buyers' solution for evaluation problems. Secondly, the current work uniquely incorporates a diverse body of knowledge from different disciplines including Agency theory, Signaling theory, and Power theory to understand customers' search for New era signals in response to evaluation problems due to lack of market information. Lastly, the paper also yields practical implications for online information sharing platforms. The conceptual analysis of New era signals evidences the effectiveness of platforms that host communication among customers. Also, the empirical model yields suggests how managers can customize the order of reviews presented to the platform users in order to effectively alleviate customer uncertainty.

References are available on request.

The Role of Social Comparison and Consumer's Need for Uniqueness in Explaining the Purchase Intention of Luxury Brands

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Keywords: *social comparison, need for uniqueness, luxury consumption, luxury brands, purchase intention*

Description: *Social comparison leads to creative choice counter-conformity, which subsequently leads to luxury consumption.*

EXTENDED ABSTRACT

Introduction

Social comparison have foundations in social psychology which provides strong underpinnings to the fundamentals of social (Hogg 2000), competitive (Garcia, Tor, and Schiff 2013) and materialistic behavior (Chan and Prendergast 2007; Fitzmaurice and Comegys 2006). People through the social comparison evaluate their similarities and dissimilarities relative to others which provide them with a frame of reference and guide their buying decisions. When they perceive themselves as highly similar to others, their self-perception of being unique is threatened and they adopt certain behaviors to distinguish themselves of which the penalties are not severe (Snyder 1992). Need for uniqueness theory proposed by Snyder and Fromkin (1980) advocates this phenomenon. Tepper, Bearden, and Hunter (2001) prove that consumers establish their distinctiveness through acquisition, utilization and disposition of products and brands as the social risks for differentiation through consumption are low. Since, luxury brands are often perceived to be scarce and unique (Dubois, Laurent, and Czellar 2001; Hansen and Wanke 2011; Vigneron and Johnson 2004; Wiedmann, Hennigs, and Klarman 2012) and people place high value on possessions that are scarce (Kehret-Ward and Yalch 1984; Lynn 1991) they serve as a tool for establishing a distinct self.

Since consumers continuously revise their opinion about self when they compare themselves with the others, it has

an impact on their future brand choices (Mandel, Petrova, and Cialdini 2006). The study of need for uniqueness is important because it has an impact on the buying behavior (Chan, Berger, and Van Boven 2012; Irmak, Vallen, and Sen 2010; Simonson and Nowlis 2000; White and Argo 2011). Consumers with high need for uniqueness prefer counter conforming attributes in their purchases (Lynn and Harris 1997; Snyder 1992; Tepper, Bearden, and Hunter 2001). We may perhaps say that social comparison is critical in understanding how the need to establish a distinct self can lead to buying luxury brands. There is a dearth of literature examining the role of social comparison in the relationship of Consumer's need for uniqueness and luxury consumption. Therefore, this study is constructed on theories of Need of Uniqueness (NFU) (Snyder and Fromkin 1980), Consumer's Need for Uniqueness (CNFU) *viz.* creative choice counter-conformity, unpopular choice counter-conformity, avoidance of similarity (Tepper, Bearden, and Hunter 2001) and Social Comparison (SC) (Festinger 1954) to conceptualize that SC is the precursor of CNFU leading to luxury consumption. The relationships are empirically tested using Structured Equation Modeling (SEM). The results reveal that there is a positive relationship between Social comparison and Creative choice counter-conformity subsequently leading to the Attitude towards luxury and hence, Purchase Intention.

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Literature Review and Hypotheses Development

Social Comparison

The classical theory of SC explains the innate drive to compare opinions and abilities with others (Festinger 1954). While people often seek uniformity in opinions for social tranquility, the comparison of abilities with the superior other creates dissatisfaction (Festinger 1954) and threatens their social identity (Hogg 2000). They exhibit competitiveness by adopting certain behaviors to remove this inconsistency (Buunk and Gibbons 2007). Hence, SC lead to competitive behaviors and attitudes (Garcia, Tor, and Schiff 2013). Snyder (1992) contends that high levels of perceived similarity pose threat to the self-identity which prompts the need to be unique. Perhaps, the need to be different and superior stems from SC.

Consumer's Need for Uniqueness

Uniqueness theory by Snyder and Fromkin (1977), advocates that when people perceive themselves to be highly similar to others, their self-perception of being unique is threatened and they adopt certain behaviors for which the social penalties are not severe. Consumer's need for uniqueness is "*the trait of pursuing differentness relative to others through acquisition, utilization, and disposition of consumer goods for the purpose of developing and enhancing one's self-image and social image*" (Tepper, Bearden, and Hunter 2001). It has three dimensions *viz.* Creative Choice Counterconformity (CCC), Unpopular Choice Counterconformity (UPC), Avoidance of Similarity (AS). Under CCC, consumers establish distinctiveness through possessions, which are appreciated by others. Creative choices confer them desirable social evaluations (Snyder and Fromkin 1980; Tepper, Bearden, and Hunter 2001) because they demonstrate uniqueness within the social norms. Under UPC, consumers buy unusual products and disobey the social norms when they are unable to distinguish themselves in a socially appropriate manner. They undertake high social risks but may also establish themselves as innovators (Tepper, Bearden, and Hunter 2001). While the consumers oriented towards AS change their past choices of purchase when the goods they own become popular among the mass. The spread less positive word of mouth regarding their possessions to maintain the uniqueness (Cheema and Kaikati 2010) and replace them more frequently as they continue to observe and compare with others. Failure to identify the dissimilarities poses threat to their self-identity which provokes counter-conformity behavior. The social comparison may hence, act as a precursor to CNFU.

H1a: Social comparison is positively related to creative choice counter conformity

H1b: Social comparison is positively related to the unpopular choice counter conformity

H1c: Social comparison is positively related to the avoidance of similarity

Luxury Consumption

Consumers perceive luxury brands as scarce and unique therefore they serve as tools for establishing a distinct self (Vigneron and Johnson 1999). With every single piece of the brand sold, the dream value of it diminishes (Dubois and Paternault 1995) because the prestige status is retained when it is owned by few. The consumers differentiate themselves through luxury consumption (Christodoulides, Michaelidou, and Li 2009; Han, Nunes, and Drèze 2010; Kastanakis and Balabanis 2012). This leads to the following hypotheses:

H2a: Creative choice counter conformity is positively related to the attitude towards luxury

H2b: Unpopular choice counter conformity is positively related to the attitude towards luxury

H2c: Avoidance of similarity is positively related to the attitude towards luxury

The relationship of attitude towards luxury and Purchase intention is established in the literature (Laroche and Howard 1980; Schwenk and Möser 2009; Spears and Singh 2004). The Theory of Reasoned Action states that there is a direct relationship between the attitude towards the behavior and the behavioral intention (Ajzen and Fishbein 1980). This leads to the following hypothesis:

H3: There is a significant positive relationship between attitude towards luxury and purchase intention

Research Method

Sample and Data Collection

Primary data is collected using self-administered questionnaire from Tier I cities of India *i.e.* Delhi, Ludhiana, Bangalore, Chennai, Hyderabad because Tier I cities have greater population and total income than Tier II and Tier III cities in India. A report by McKinsey Global Institute (2007), classifies Tier I cities as having a population of more than four billion and total income more than 100 billion Indian rupees while Tier II cities as having populations less than four billion and Tier III cities have populations in the range of 500000 to 1 million. Also, these respondents have high luxury brand awareness as they are more exposed to luxury brands than their rural counterparts. Snowball sampling is employed because it is a niche segment and the participation of respondents was difficult (Heine 2010). The luxury consumption scale proposed by Heine (2010), qualified and validated that the participants in the survey were genuine luxury consumers. The data is collected from luxury exhibitions, high-end weddings and hotels, mall intercepts

and store intercepts. A final sample of three hundred and forty-two samples was retained for analysis. The sample comprises 48% males and 52% females in the age bracket of 18-25 years of age; 58% of the respondents in the sample are unmarried while 42% are married. In the study, 39% of the respondents are businessmen with more than ten employees and 30% are holding senior-level positions in the companies. The respondents are educated holding post graduation degrees. We may say that the data is representative of the young, rich and well-educated luxury consumers.

Instrument Design

To measure *Social Comparison*, scale items have been adopted from Chan and Prendergast (2007). *Consumer's Need for Uniqueness* is measured using Tepper, Bearden, and Hunter (2001). For measuring *Attitude towards luxury* and *Purchase Intention*, scale items have been adopted from Ajzen (1991) and Spears and Singh (2004) respectively. Likert's five-point scale items were used to capture the responses.

Data Analysis

The study empirically tested the relationships using SEM (Hair 2010) AMOS 20.0. The hypothetical framework is represented in Figure 1. Maximum likelihood procedure is used in the analysis. Chi-square statistic is calculated (Hu and Bentler 1998) and the measures of fit Indices *i.e.* Comparative Fit Index (CFI), Goodness of Fit Index (GFI), Adjusted Goodness of Fit (AGFI) and Root Mean Square Error of Approximation (RMSEA) are reported. Table 1 represents mean, standard deviation and correlations for the study.

Findings

Measurement Model

The value of Composite Reliability (CR) is (>0.60) and Average Variance Extracted is greater than 0.50 which is the acceptable value as a test of internal consistency and reliability respectively (Fornell 1981). The assumptions of linearity and multivariate normality are tested. The analysis has identified 8 outliers ($p < 0.001$) which were removed from the further analysis. The final sample comprises three hundred and forty-two respondents. Confirmatory Factor Analysis (CFA) is conducted in the study. The Maximum likelihood shows that the data is normally distributed. The calculated chi-square value in the study is in the acceptable range (CMIN/DF = 2.050) (Kline 2004). The values of CFI, TLI, and RMSEA are 0.926, 0.918 and 0.04 respectively. The values of GFI and AGFI are 0.97 and 0.94 respectively.

The measures of the hypothesized model are indicative of the good fit to the data and therefore.

Structural Model

The results indicate that SC is positively related to the CCC ($\beta = 0.701, p < 0.00$), hence, H1a is not rejected. The relationship of Social comparison with UPC ($\beta = 0.180, p < 0.583$) and AS ($\beta = 0.102, p < 0.037$) is not significant, H1b and H1c are rejected. CCC is positively related to the Attitude towards luxury ($\beta = 0.826, p < 0.00$) which shows that H2a is not rejected. However, UPC ($\beta = 0.259, p < 0.490$) and AS ($\beta = 0.165, p < 0.195$) are not significantly related to the Attitude towards luxury. So, H2b and H2c are rejected. There is a significant positive relationship between the Attitude towards luxury and Purchase Intention ($\beta = 0.744, p < 0.00$), H3 is not rejected. Table 1 represents the standardized regression weights and p -value of the hypotheses. Thus, the relationships of Social comparison, CCC, Attitude towards luxury and Purchase Intention are statistically significant, confirming the ability to explain luxury consumption.

Discussions

The results show that SC has a significant relationship with the CCC which ultimately leads to luxury consumption. The literature supports that SC evokes the need to be distinct (Brown et al. 1992; Buunk and Gibbons 2007; Buunk et al. 1990). Our study extends the existing findings by establishing that SC is leading to CCC and hence, luxury consumption. Ruvio (2008) substantiates the above findings by establishing that consumers seek uniqueness through possessions to prevent social dissimulation and disapproval. CCC explains why luxury consumers seek desirable social evaluation on purchasing luxury brands. These consumers make choices that are distinct and appreciated by others. They continuously compare and strive to protect their uniqueness through luxury consumption because it doesn't hold a risk of social disapproval; simultaneously they are perceived as unique, exclusive and prestigious by others. We may say that Social Comparison leads to the Creative Choice counter-conformity which serves as a powerful drive for acquisition, utilization, and disposition of luxury brands.

Implications

Theoretical Implications

The study contributes to the literature of SC, CNFU and luxury consumption by establishing important link between the theories. Also, CNFU is examined in its tridimensional form *viz.* CCC, UPC, AS and extends novel contribution by confirming that CCC arises from SC leading to the luxury consumption.

Marketing Implications

Marketers can design advertisements portraying reference group's acceptance and validation of the product. Focus on scarcity messages using ad appeals centered on Social Comparison can be done to fuel CCC. Also, the Creative choices draw admirers and followers and may act as influencers. Since, brand awareness has a positive impact on the dream value while the diffusion has a negative impact on it (Dubois and Paternault 1995), it is, therefore, critical that the admirers and followers are aware of the products/brands so they can appreciate the creative choices. This will enhance the buyer's social image. The marketers must control the distribution because limited supply of products will inflate the desire to possess them.

A focus on establishing unique identities of their brands and perceptions of scarcity is important.

Limitations and Future Research Directions

The results can be applied to luxury consumers globally as NFU is a trait and it varies individually than culturally (Snyder and Fromkin 1980). Even then, a cross-cultural study will increase the generalizability of the results obtained. To enhance the validity, longitudinal studies can provide a comprehensive understanding. Demographic variables can be used as control variables to understand the role of SC and CNFU in luxury consumption. Further, the relationship of upward and downward social comparison with the associative and dissociative tendencies like conformity and NFU can be examined. Future researchers can conduct experiments to manipulate social comparison (high vs. Low) and test the mediating role of Consumer's Need for Uniqueness. Other related variables which can influence luxury consumption must also be investigated.

References tables, and figures are available on request.

Understanding the Antecedents to Luxury Brand Consumer Behavior

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Keywords: *luxury brands, consumer knowledge, reference groups, accessibility, consumer behavior*

Description: *This research investigates how consumers perceive luxury brands and the antecedents that contribute to these perceptions.*

EXTENDED ABSTRACT

Research Question

The purpose of this paper is to investigate how consumers perceive luxury brands and the antecedents that contribute to these perceptions. A more nuanced luxury framework is needed to reflect the fluidity of luxury, consumers' different lived experiences, accessibility levels, and changes in consumer behavior and retail marketing, which advances the work of Jain et al. (2015) and Hennigs et al. (2013).

Method and Data

With a sample of 475 respondents, five hypotheses were tested using an online survey and SEM analysis. The hypotheses tested the relationship between knowledge of luxury brands, reference group influence, and accessibility and its impact on consumer personal values and perceptions of luxury brands and consumer behavior to recommend to a friend, willingness to pay, and purchase intentions.

Summary of Findings

Significant relationships were found for all five hypotheses and demonstrate that knowledge of luxury brands, refer-

ence group influence, and accessibility to luxury brands all have a strong relationship on consumers' personal values and perceptions of luxury brand and consumer behavior to recommend to a friend, willingness to pay, and purchase intentions.

Key Contributions

This research presents a new framework that includes antecedents reflecting external and internal points of reference, in addition to, luxury accessibility, that ultimately impacts consumer behavior. It is understood that consumers have different lived experiences and may also have access to different goods in the marketplace. Hence, the model contributes to the luxury marketing literature by highlighting these important antecedents which induce various perceptions of luxury.

References are available on request.

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Value Creation in Peer-to-Peer Asset-Sharing

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Keywords: *asset-sharing, ecosystems, ownership, sharing economy, value creation*

Description: *We provide a value-creation based conceptualization of peer-to-peer asset sharing by unveiling the drivers of value creation and investigating how they affect the ecosystem of owners, renters, manufacturers and sharing platforms.*

EXTENDED ABSTRACT

Research Question

The sharing economy quickly transforms ecosystems that have traditionally focused on units sold. Peer-to-peer asset sharing increasingly fuels this transformation. In peer-to-peer asset sharing consumers own the assets and share them with other consumers via platforms (e.g., Airbnb, Getaround). The new opportunities for consumers to share assets particularly puts traditional product manufacturers under pressure to adjust their organizational strategies. Automotive manufacturers (e.g., GM, Daimler), for example, try to participate in these novel services, by enabling consumers to share their own vehicles with peers. While there is increasing interest in this new sharing form, existing research focuses on the dyadic relationship between renters and sharing-platforms. Thus, little is known what actually drives consumers to share their vehicles with others and how manufacturers can participate in the evolving ecosystem of peer-to-peer sharing. The objective of our research is to conceptualize the ecosystem of peer-to-peer sharing, to identify relevant actors, and to unveil and test the drivers that create value within this ecosystem. Specifically, for manufacturers, we will reveal how they can leverage peer-to-peer asset sharing to motivate consumers to buy an asset in the first place.

Method and Data

We first identify the relevant actors and their interrelations conceptually. Second, due to the lack of existing research on

the role of peer-providers (i.e., consumers who own an asset and provide it for sharing) and manufacturers within peer-to-peer asset-sharing, we conduct focus groups. We unveil the drivers that motivate consumers to become peer-providers. We also generate insights into how manufacturers and sharing-platforms can generate value in peer-to-peer asset-sharing. Based on these findings, hypotheses were formulated and tested in four experiments.

In experiment 1, we surveyed 198 participants and employed a between-subject design to assess the effect of economic benefits on potential peer-providers' willingness to purchase an asset from a manufacturer.

Experiment 2 (n = 273), employed a 2 x 2 between-subject design to test whether peer-provider's willingness to purchase an asset increases for more vs. less expensive assets and assessed whether the reduction of financial burdens of ownership drives value creation between manufacturers and peer-providers.

Experiment 3 (n = 242) employed a 2 x 2 between-subject design to test the driver of value creation between peer-provider and asset-sharing-platform.

Experiment 4 (n = 400) followed a 3 x 2 between-subject design to test the influence of peer-providers on value creation between the asset-sharing-platform and renter.

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Summary of Findings

We find that offering a peer-to-peer sharing opportunity increase consumer's purchase intention for a new product. Interestingly, this effect is greater for expensive vs. cheaper products. Using a mediation analysis, we find that these effects are driven by the reduction in the perceived burdens of ownership associated with the opportunity to share a product that a consumer buys. Consequently, manufactures can benefit from peer-to-peer sharing in two ways: (i) by attracting new customers who were previously unable to afford the products, (ii) by realizing upselling potential via making more expensive purchases seem economically feasible.

A second value driver is perceived risk. Asset-sharing platforms need to reduce the perceived risk for peer-providers to increase participation. While branding the platform with a well-known manufacturer brand does not have an effect, increasing peer-provider's identification with renters of the platform increases participation.

Lastly, we find that peer-providers act as entrepreneurs towards the sharing platform and the renter. Specifically, peer-providers seek to maximize earnings from the asset by considering renters' preferences in their initial purchasing decisions. As peer-providers tailor their purchase to renters' preferences, collaboration between peer-providers, platforms, and manufacturers can increase the value generated in the system.

Key Contributions

By providing a value-creation based conceptualization of peer-to-peer asset sharing, we refine our understanding of how the sharing economy affects key actors. By unveiling the drivers of value creation and investigating how they affect the ecosystem of peer-providers, renters, manufacturers and sharing platforms, we specifically advance current research on the sharing economy that focuses on the dyad between asset-sharing-platform and renters.

More specifically, we conceptualize the peer-to-peer-sharing-ecosystem and address the performance consequences for its actor and the organizational actions that increase value creation within a value system. Identifying the drivers of value creation, we contribute to the stream of research that focuses on value creation in ecosystems in particular

For organizational strategy, our results provide guidance on activities that manufacturers and sharing platforms can perform to create value in the sharing economy. This particularly concerns the promotion of asset ownership and to enhance consumers' willingness to provide assets for sharing. For manufacturers, we specifically show that they do not need to compete with the sharing economy but can benefit from it if they adapt to the value creation in the sharing economy ecosystem.

References are available on request.

A Shared Understanding: Redefining “Sharing” from a Consumer Perspective

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ABSTRACT

The word “sharing” and its associated phrases has been adopted by marketing practitioners and academics to explain a variety of market-based phenomena. Best-selling books (e.g., Botsman and Rogers 2010; Gansky 2010) describe and advocate for a “sharing economy”: a market-driven movement toward consumption without ownership. Academic research, particularly the work of Russell Belk (2007, 2010, 2014a, 2014b), attempts to conceptualize sharing from a more anthropological perspective. Still other research in marketing uses phrases such as “access-based consumption” (Bardhi and Eckhardt 2012), “collaborative consumption” (Habibi, Kim, and Laroche 2016), and “commercial sharing” (Lamberton and Rose 2012) to describe sharing-related phenomena in overlapping and sometimes interchangeable ways.

Keywords: *sharing, construct definition, access-based consumption, collaborative consumption, collage*

With such broad applications, definitions, and associated phrases, it is no wonder that consumers and marketers experience confusion around the definition of “sharing” (Larmer 2017). Although consumer research has made attempts at differentiating “true sharing” from other alleged misuses of the word (Belk 2014a; Habibi et al. 2016), the confusion persists.

In this research, we do not attempt to add yet another academic framework or taxonomy to the already burgeoning literature. That is, we do not attempt to answer an existing question. Rather, we shift the focus toward an unasked, adjacent question that may have a simpler and more meaningful answer: how do *consumers* (rather than academics) define sharing? In a controlled experiment (study 1), we test whether consumers have a unique definition of sharing distinct from a predominant definition provided by the literature. Study 2a then uses a survey-based design to show that this consumer definition of sharing is common across consumers. Lastly, study 2b uses a collage-inspired methodology to explore the key components of which this consumer definition may consist. In so doing, we seek to zoom out, pivoting slightly from the questions inherent to the existing sharing literature and toward the larger theme of understanding the construct from a new perspective.

Study 1: Do Consumers Have a Unique Definition of “Sharing?”

As a test of concept, we designed an experiment to examine whether consumers’ own definition of sharing deviated from an academic definition drawn from the literature. Participants were randomly assigned to either provide their own definition or to read one provided by the researchers. They were then asked to use this definition to evaluate a business in terms of whether it facilitates sharing. The level of sharing was also manipulated using two different sharing contexts, adapted from Habibi et al. (2016), which strongly and weakly reflect true sharing, respectively. We then assessed perceptions of sharing using (1) an index drawn from the literature and (2) a more holistic, ad-hoc item. We expected ratings on the generalized sharing item to differ between two business descriptions when consumers used their own definition but not when using the provided academic definition. However, because the sharing index is a direct reflection of academic definitions (Habibi et al. 2016), we do not anticipate this same pattern to emerge based on this measure.

Participants and Procedure

One hundred fifty U.S. residents ($M_{\text{Age}} = 34.55$, $SD_{\text{Age}} = 10.96$, $\text{Range}_{\text{Age}} = 20 - 68$; 33.3% female) were recruited

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from Amazon’s Mechanical Turk (MTurk) for this experiment. Participants were randomly assigned to one of four conditions in a 2 (self-definition: yes vs. no) \times 2 (level of sharing: weak vs. strong). In the own definition condition, participants were asked to define sharing in one or two sentences, whereas in the academic definition condition, the following definition for sharing was provided: “the act of distributing what is ours to others for their use, or receiving something from others for our use. It is based on interpersonal relationships rather than market or monetary exchange.” This definition was drawn from recent literature on consumer sharing (Belk 2007, 2010, 2014a, 2014b; Eckhardt and Bardhi 2016). Next, participants were instructed to read a description of a proposed business while thinking about the provided definition or their own definition.

In the weak (strong) sharing condition, participants read a brief description of the business model underlying Airbnb (CouchSurfing) adapted from Habibi et al. (2016). Consistent with Habibi et al. (2016), the brand names were omitted to avoid bias due to consumers’ pre-existing attitudes and familiarity with each. All participants then rated the described business along two distinct sharing measures. The first was a 10-item index ($\alpha = .76$) drawn directly from Habibi et al. (2016) and containing items that closely reflect core components of academic definitions of sharing (e.g., “There is no monetary exchange,” “Participants have feelings of bonding and community;” 1 = *Not at all*, 5 = *Very much*). The second was an ad hoc, holistic single-item measure that did not rely on any particular definition of sharing: “To what extent does this business facilitate sharing among consumers, overall?” (1 = *Not at all*, 9 = *Very much*). These two measures were presented in counterbalanced order. Lastly, demographics were collected and participants were thanked.

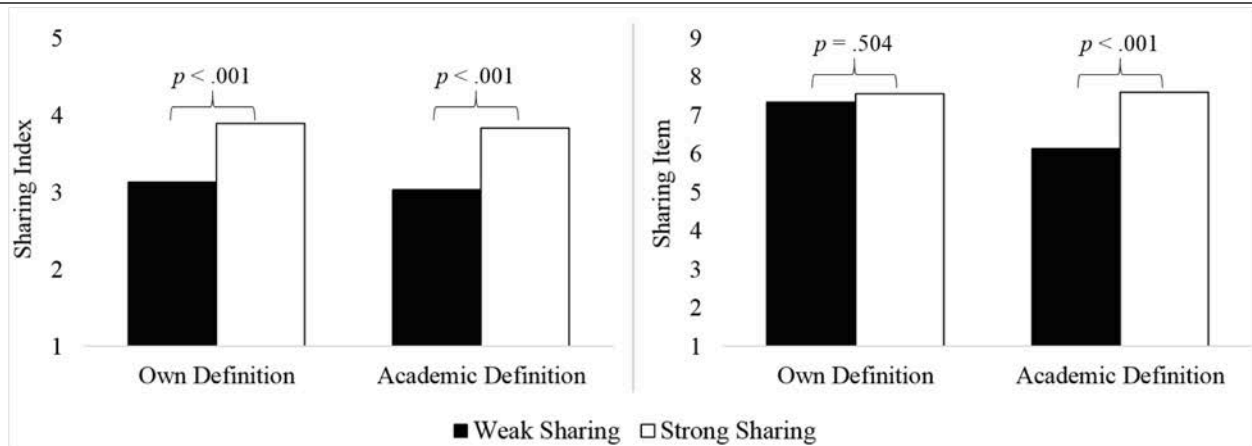
Results

Prior to testing the effects of the manipulations, we first checked the correlation between the two dependent measures. Results suggest that the two measures were moderately and significantly correlated ($r = .44, p < .001$). This suggests that our single-item measure captures unique elements of sharing not captured by the longer, academic-based index drawn from the literature. Thus, for the primary analyses, we conducted a 2 (sharing definition) \times 2 (level of sharing) MANOVA (df for F -tests = [1, 146]) treating the sharing index and the sharing item as distinct dependent variables, and present the results separately for each dependent measure.

Sharing Index. Recall that the sharing index closely reflects academic definitions of sharing. Thus, we did not expect the definition manipulation to have an effect on this measure because it forces responses to conform to the academic definition, regardless of prior stimuli and instructions. Consistent with findings of Habibi et al. (2016), however, we did expect a difference between level of sharing conditions. Results supported our expectations. We observed no main effect of the definition manipulation ($p = .375$) nor an interaction between the two factors ($p = .866$). In contrast, a significant main effect of level of sharing was observed (see the figure, left panel), such that the strong sharing business ($M = 3.87, SD = .60$) was rated more highly than the weak sharing business ($M = 3.08, SD = .47, F = 75.383, p < .001$).

Sharing Item. Because our single-item measure was worded more generally, we expected the definition manipulation to interact with the business manipulation in predicting sharing ratings. Specifically, when the academic definition was provided, we expected to replicate findings observed for the sharing index reported above. However, when consumers

Figure. Study 1: Sharing Definition \times Business Sharing Manova Results on Sharing Index (Left) and Sharing Item (Right)



provided their own definition, we expected high ratings of sharing for both businesses because they both reflect some unobserved feature of a unique consumer definition of sharing. Results support this expected pattern. We observed main effects of both manipulations ($F_s > 5.416$, $ps < .021$), and more crucially, an interaction between the two factors ($F = 6.104$, $p = .015$).

Decomposing the interaction into simple effects (see the figure, right panel) further supports our expectations. When the academic definition was provided, we observed a significant effect of the level of sharing manipulation such that the strong sharing business ($M = 7.62$, $SD = 1.33$) was rated more highly on the sharing item than was the weak sharing business ($M = 6.14$, $SD = 1.83$, $F [1, 74] = 15.495$, $p < .001$). However, when consumers provided their own definition, the strong ($M = 7.58$, $SD = 1.35$) and weak ($M = 7.35$, $SD = 1.54$) sharing businesses were rated equally highly on the sharing item ($p = .504$).

Discussion

The results of this initial study suggest a consumer definition of sharing distinct from academic definitions. As per our theorizing, consumers have a multidimensional view of sharing, such that when asked generally, disparate business models such as CouchSurfing and Airbnb may both be viewed equally in terms of their facilitation of consumer sharing. Thus, although prior conceptual (Belk 2010, 2014a) and empirical research (Habibi et al. 2016) suggests that the former business exemplifies true sharing and the latter does not, we argue that this is merely an artifact of the way sharing is defined in the literature. When consumers are allowed to elaborate on and apply their own definition of sharing, however, both businesses meet the definition. This suggests not only that sharing is defined differently by consumers than by academics, but also that this unique definition affects consumers' views of marketers' attempts to associate their business with the concept of sharing.

Study 2: How Do Consumers Define "Sharing?"

Results of study 1 suggest that consumers define sharing differently than the construct is defined in the literature. However, we have yet to examine what this consumer definition consists of. In this pair of studies, we adapt an established protocol for soliciting lay definitions of psychological constructs developed in the social cognition literature (Malle and Knobe 1997; Nuñez, Laurent, and Gray 2013). Study 2a asks participants to rate a series of behaviors according to the extent to which they involve sharing, and shows that consumers do appear to have a unified, common definition of sharing. In study 2b, we more directly assess the features of this common definition using an open-ended technique. Results suggest that a common consumer definition of shar-

ing includes three independent features: *ethereal*, *prosocial*, and *even-handed*.

Study 2A

Participants and Procedure. Participants were 102 U.S. residents recruited from MTurk ($M_{Age} = 33.34$, $SD_{Age} = 9.20$, $Range_{Age} = 21 - 74$; 44.1% female) and asked to rate a series of 18 behaviors, one at a time and in counterbalanced order, in terms of whether they involve sharing or not on a scale from 1 (*Doesn't involve sharing at all*) to 8 (*Very much involves sharing*). An even number of scale points was used to force participants to one side or the other, rather than permitting "neutral" responses. The specific behaviors (displayed in the table, top panel) were generated by the authors with the goal of representing a range of sharing involvement (i.e., low to high) as well as a variety of potential components of sharing. Following prior research (Malle and Knobe 1997; Nuñez et al. 2013), the perspective of the statements was manipulated between participants such that half of the participants rated behaviors from their own perspective (i.e., the self-view condition) whereas the other half rated behaviors from the perspective of another person (i.e., the observer condition). This manipulation had no effect on any of the 18 sharing scores ($ps > .148$) and so responses were collapsed across the two conditions and results are presented in terms of the full sample.

Results and Discussion. Basic descriptive statistics for each statement were first analyzed (see the table, top panel). Several findings are worth noting. First, as intended, the statements reflect a range of sharing involvement, suggesting that a consumer definition of sharing may discriminate between certain types of behaviors. Second, we observe several points of consistency with the sharing literature (e.g., Belk 2010). For instance, statements that reflect pure market exchange (e.g., "You sell something online") were rated significantly below the sharing midpoint, whereas those that reflect a pure communal dimension (e.g., "You prepare a meal for a friend") were rated significantly above the midpoint. Lastly, and most interestingly, we also observed several deviations from the literature. For example, "calculation" is considered an exchange characteristic (Habibi et al. 2016) and thus should not be considered sharing (Belk 2010), yet the statement with the greatest degree of precise calculation (i.e., "You split the utility bill with a roommate") was also rated most highly in terms of sharing involvement. This further suggests that consumers may define sharing differently from definitions in the literature.

More crucially, this study also aimed to test whether consumers might have a common definition of sharing. Following procedures of Nuñez et al. (2013), to check agreement between participants we transposed the data such that par-

Table. Summary of Results from Studies 2a (Top Panel) and 2b (Middle and Bottom Panels)

Top Panel – Study 2a: Descriptive statistics for each statement			
Statement		Mean (SD)	
You buy food at the farmers’ market		2.97 (2.06)*	
You sell something online		3.18 (2.17)*	
You work out at the gym		3.19 (2.24)*	
You rent a car		3.86 (2.18)*	
You rent a room using a vacation rental service		4.24 (2.34)	
You use a short-term ride service		4.74 (2.20)	
You buy a birthday gift for a coworker		4.74 (2.46)	
You download a movie that someone else has uploaded		5.57 (2.18)*	
While traveling, you stay with a volunteer host from an online service		5.73 (2.04)*	
You help a friend move		6.02 (1.69)*	
You borrow a book from the library		6.11 (2.22)*	
You lend money to a friend		6.16 (1.92)*	
You volunteer at a homeless shelter		6.17 (1.86)*	
You prepare a meal for a friend		6.23 (1.77)*	
You give advice to a friend		6.25 (1.59)*	
You borrow a hammer from a tool library		6.37 (1.89)*	
You post a picture on social media		6.50 (1.57)*	
You split the utility bill with a roommate		6.57 (1.63)*	
Middle Panel – Study 2b: Definition and descriptive statistics for each theme			
Theme	Definition	Mean (SD)	
Self Interest	Purpose is to benefit oneself	1.85 (0.95)**	
Equality	Things are shared from those with more to those with less	2.16 (1.19)**	
Emotional	Creates an emotional experience	2.22 (1.24)**	
Monetary Exchange	Money is used or exchanged	2.24 (1.60)**	
Global	Not restricted by geographic location	2.24 (1.53)**	
Mutual Ownership	Shared objects are owned by those who share them	2.39 (1.18)**	
Technological	Mediated through technology	2.55 (1.71)	
Synergy	Creates outcomes that are greater than the sum of its parts	2.60 (1.13)	
Altruism	Purpose is to benefit others	2.80 (2.80)	
Reciprocity	Expectation of receiving something equal in return	3.28 (1.33)**	
Community	Strengthens social bonds and interpersonal relationships	3.31 (1.27)**	
Intangible	Involves intangible things	3.78 (1.45)**	
Tangible	Involves tangible objects	4.53 (0.95)**	
Bottom Panel – Study 2b: Rotated factor loadings from PCA			
Theme	<i>Ethereal</i>	<i>Prosocial</i>	<i>Even-handed</i>
Intangible	.82		
Technological	.85		
Community		.80	
Synergy	.39	.67	
Reciprocity			.86
Altruism	–.33	.41	–.63
Tangible		–.33	–.22
Variance Explained	25.13%	20.68%	15.40%

Notes for top panel: * indicates mean is significantly different from midpoint of 4.5 at $p < .01$; statements are phrased as in self-perspective condition only for ease of exposition.

Notes for middle panel: ** indicates mean is significantly different from grand mean of 2.77 at $p < .01$.

Notes for bottom panel: loadings based on Varimax rotation extracting components with eigenvalues ≥ 1 ; eliminated loadings ($< .20$) are omitted for clarity.

participants were treated as items and calculated the level of agreement (α) across the 18 statements. This analysis suggested very high agreement between participants across statements ($\alpha = .98$). However, because this analysis involved a large number of items (102), the resulting α may

have been artificially inflated. Thus, following a more conservative test suggested by Nuñez et al. (2013), we also drew four random samples of size $n = 8$ and calculated α for each of them. Even with this more conservative test, we observed a high level of agreement between participants ($M_\alpha = .79$,

$SD_{\alpha} = .08$, $Range_{\alpha} = .72 - .87$). Together, these findings demonstrate that consumers agree about what sharing is and what it is not. Next, we explore what the features of this consumer definition of sharing might be.

Study 2B

Method. In this study, we used a collage-inspired methodology (Zaltman 1997) to solicit consumers' mental representations of the concept of sharing. The collage methodology has been used extensively in consumer research as a means of examining mental representations of other constructs (Chaplin and John 2005, 2007; Cotte and Latour 2009), and was similarly well-suited to the present research question. Participants completed the study using Microsoft PowerPoint on a computer in a behavioral research lab. All participants were provided with the same template slide to begin with, containing a variety of icons positioned around the outside perimeter of a black rectangle. Participants were instructed to drag, rearrange, and resize the icons however they wanted in order to create an image that represents what "sharing" means to them. After completing the image, participants were also asked to write a short explanation of why they created the image the way they did as a representation of sharing. In total, 114 undergraduate business students completed a "collage" and written explanation, four of whom were excluded for not following the study's instructions (final $N = 110$, $M_{Age} = 21.20$, $SD_{Age} = 2.70$, $Range_{Age} = 19 - 42$; 37.6% female).

Data Preparation. Prior to coding, we examined each collage and its associated written response to determine the scope of themes to be coded. In total, 13 themes were identified (see the table, middle panel). Next, two independent coders, blind to the research question, were asked to rate the collages along each of the 13 themes on a scale from 1 (*this theme is not represented at all*) to 5 (*this theme is represented strongly*). Intercoder reliability across the 13 themes was high ($M_r = .66$, $SD_r = .12$, $Range_r = .51 - .90$), and so the two scores for each theme were averaged together to form 13 composites.

Results and Discussion. Recall the aim of this study was to uncover the features of a consumer definition of sharing. To this end, we first examined the mean scores for each of the 13 themes (see the table, middle panel) and attempted to draw preliminary insights from this pattern as in study 1a. We again note points of both consistency and deviation from academic definitions of sharing. Consistent with Belk's (2010) conceptualization of sharing, prosocial themes (e.g., community, altruism) were rated strongly whereas market-based themes (e.g., monetary exchange, self-interest) were largely absent from the collages. However, we note that reciprocity is a strongly present theme in consumers' collages, conflicting with Belk's (2010) nonreciprocal view of sharing.

Next, as a first wave of purification, we eliminated themes with mean scores significantly below the grand mean of all themes (2.77), resulting in the retention of seven themes. The grand mean was used because the scale midpoint (3) would have been too prohibitive given the distribution of means. To further reduce this set, we treated these seven themes as items in a Principal Components Analysis (PCA) using Varimax rotation (see the table, bottom panel). Results suggest three features of sharing: *ethereal* (included themes: intangible, technological), *prosocial* (included themes: community, synergy), and *even-handed* (included themes: reciprocity, altruism [reverse-coded]).

Conceptually and statistically, these three features are better described as formative rather than reflective of sharing. That is, a consumer definition of sharing need not contain all three features but should contain at least one. Further, the absence of any one of these features from an activity or business should theoretically diminish the extent to which consumers perceive it as "sharing." Thus, although a service need not be mobile-mediated (*ethereal*) to be considered a "sharing business," we expect that the presence of this feature will enhance perceptions of sharing. Similarly, a balanced distribution of outcomes (*even-handed*) is clearly not a prerequisite for sharing, but our framework suggests that a focus on reciprocity over pure altruism may enhance sharing perceptions.

This conceptualization sheds light on our findings thus far. It helps explain, for instance, the observed parity in sharing scores between CouchSurfing and Airbnb in study 1. Being mediated by web and mobile applications, both services have an intangible and technological basis and are thus roughly equal on the *ethereal* dimension. However, although CouchSurfing is more *prosocial*, Airbnb more strongly emphasizes the *even-handed* feature. Thus, in sum, both services may appear roughly equal in the extent to which they facilitate sharing. Further, although counterintuitive, the *even-handed* dimension is consistent with a key finding from study 2a: the most highly rated behavior in terms of sharing involvement was dividing a bill between roommates. Therefore, it seems that academic definitions of sharing have either overlooked or explicitly denied this core facet of the way consumers think about sharing. In other respects, however, the consumer and academic definitions of sharing appear to overlap to some extent. The *prosocial* feature observed here closely reflects the communal nature of sharing described in the literature, while the *ethereal* feature neither explicitly confirms nor contradicts academic conceptualizations but nonetheless adds to our understanding of the consumer definition.

General Discussion

Marketing and consumer researchers agree that sharing is important for both business and societal well-being. Yet, there is little agreement and some degree of confusion

around what sharing means. Rather than trying to integrate existing literature into formulating another academic definition, we instead shift focus toward and re-ask the question of sharing's meaning from a lay consumer perspective. Our studies suggest that consumers do indeed define sharing differently than do academics (study 1) and that this consumer definition may be common across individuals (study 2a). In addition, through a collage-inspired method, we uncover three core features of this definition: *ethereal*, *prosocial*, and *even-handed* (study 2b).

In so doing, this research contributes to the ongoing discourse, both internal and external to academia, around consumer sharing (inclusive of access-based consumption, collaborative consumption, commercial sharing, the sharing economy, etc.) by simplifying the conversation and addressing a larger theme rather than adding new answers to old questions. In addition, we make methodological contributions by using innovative qualitative and quantitative methods. It is our hope that this integrative methodological approach may guide future research into redefining or reconceptualizing constructs in marketing.

More substantively, mapping the lay consumer definition of sharing may provide guidance for marketers of brands that seek to join the sharing economy. Rather than using the word "sharing" in marketing communications or branding efforts, messages that effectively communicate one or several of the essential features of the consumer definition of sharing (*ethereal*, *prosocial*, and *even-handed*) may resonate more deeply with consumers. For instance, a traditional advertising approach for a gym may not activate perceptions of sharing, but incorporating a mobile app (*ethereal*), emphasizing the communal benefits of shared equipment (*prosocial*), or highlighting the "level playing field" that gym-goers are provided (*even-handed*) may activate the concept of "sharing" in consumers' minds. Future research should seek to confirm these features, test whether they can be successfully incorporated into marketing communications, examine their causal role in predicting sharing perceptions, and explore the downstream consequences of increased sharing perceptions.

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Opinion Leadership and Susceptibility to Social Influence in New Product Adoption: The Moderating Role of Density

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Keywords: *new product adoption, opinion leadership, social influence, social networks, density*

Description: *We empirically investigate how the relationship between opinion leadership and susceptibility to social influence varies with network density in new product adoption.*

EXTENDED ABSTRACT

Research Question

Marketing researchers and managers have become increasingly interested in leveraging social influence in new product adoption. A successful network marketing strategy needs to consider not only “influentials” but also “influenceables” (Christakis & Fowler, 2011). Opinion leaders generally adopt earlier than followers but they are not necessarily innovators (Rogers, 2003). As such, it is important to understand how to leverage pre-existing social ties to influence opinion leaders if they are not the earliest adopters. Recent research shows that although opinion leaders are less likely to be susceptible to social influence from others (Aral & Walker, 2012), they may be equally sensitive to influence from peers under certain network conditions (e.g., strong ties) (Zhang, Fam, Goh, & Dai, 2018). This study examines the role of network density (i.e., the level of interconnectivity among an individual’s peers within social networks) in moderating individuals’ susceptibility to social influence in new product adoption. We empirically address the following research question: Does the relationship between opinion leadership and susceptibility to social influence vary with network density?

Method and Data

We collected data by distributing sociometric survey questionnaires to undergraduates at a large university in China. In total, 453 respondents completed the survey, representing a 94.3% valid response rate. Respondents ranged in age

from 19 to 24 years. Measures of informational social influence and normative social influence were adapted from susceptibility to interpersonal influence scales by Bearden, Netemeyer, and Teel (1989). Opinion leadership was measured by the scale developed by Childers (1986). In this study, density is calculated as a class-level measure because university students in China are divided into classes. We also considered the direction of relations when calculating density. We also controlled for several variables such as age and gender (Aral & Walker, 2012; Katona, Zubcsek, & Sarvary, 2011; Venkatesh, 2000), and perceived risk (Aral, 2011; Hoffmann & Broekhuizen, 2009; Iyengar et al., 2011). Based on the intraclass correlation values, we conducted a Hierarchical Linear Modeling (HLM) analysis to test the moderating effect of density on the relationship between opinion leadership and susceptibility to social influence, whereas we conducted a hierarchical moderated regression analysis to test the hypotheses regarding normative social influence.

Summary of Findings

This study examines the moderating effect of density on the relationship between opinion leadership and susceptibility to two different social influence mechanisms (informational social influence and normative social influence). The results present the significant moderating effect of density on the inverse-U relationship between opinion leadership and susceptibility to normative social influence, such that the

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inverse-U pattern presents in dense networks but not in sparse networks. However, the relationship between opinion leadership and susceptibility to informational social influence does not vary with network density.

Key Contributions

This study contributes to existing social influence and social network analysis in new product adoption research in several ways. Our findings have implications for a better understanding of how the network structural condition (i.e., density) moderates opinion leaders' susceptibility to social

influence in new product adoption. This indicates that not all relationships are created equal regarding susceptibility to social influence within social networks. In-depth assessments of the interaction between opinion leadership and density on susceptibility to social influence in this study would be useful for managers. It provides marketers with insights into leveraging social influence in new product adoption and could eventually increase the effectiveness of network marketing.

References are available on request.

When Marketing Factors Meet Social Factors in Consumer Research

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Keywords: *marketing factors, social factors, purchase behavior, AMOS*

Description: *This paper is to investigate the moderating effect of two social factors, i.e. intergeneration and acculturation, on the relationship between some marketing factors and purchase behavior.*

EXTENDED ABSTRACT

Research Question

To what extent do social factors moderate the effects of marketing factors on purchase behavior?

Methods and Data

There were two models that were built in this paper, Model I with the marketing factors only and Model II with both the marketing and social factors. Data was collected in Ireland in May 2017 among more than one thousand transition year students and their parents in more than 30 Irish secondary schools in a personal survey in relation to their willingness to choose a language school to learn Chinese. Data was analyzed by using AMOS and Andrew Hayes' Macro in SPSS.

Summary of Findings

Results from the students' data showed the two social factors that were studied in this paper, acculturation and intergener-

ation, significantly consolidated the effects of brand awareness on both brand trust and purchase behavior; and they diminished the impact of brand trust on purchase behavior. The empirical evidence suggested it is worth for marketing researchers including both marketing and social factors in consumer research.

Key Contribution

Most research on consumer research tends to study the impact of only marketing factors on purchase behavior. Little has been done to include both marketing and social factors in such research. This paper aimed to find out the moderating effects of social factors, namely, acculturation and intergeneration, on the effects that marketing factors such as brand awareness and brand trust have on purchase behavior.

References are available on request.

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Reciprocal Effects Within Core Retail Channels and Their Impact on Omni-, Offline, and Online Channel Loyalty

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Keywords: *omni-channel retailing, reciprocity, offline/online channel image, omni-channel loyalty, cross-lagged structural equation modeling*

Description: *This study addresses the important but often neglected roles of evaluations of omni-channel retailers' major sales channels (offline and online) and the reciprocal relationships between them, and in particular their reciprocal effects on offline, online, and omni-channel loyalty.*

EXTENDED ABSTRACT

Research Question

General channel evaluations, i.e., images or knowledge held in consumers' memory (Keller 1993; Kwon and Lennon 2009b), are known to affect omni-channel retailers' performance and consumer behavior. Because omni-channel retailers have different aims to bond consumers and because they cannot do that by only observing consumer evaluations of one or two major channels, i.e., they need to know about the relationships between them (Yoo, Donthu, and Lee 2000), we study important reciprocal effects on offline, online, and omni-channel intentional loyalty.

Scholars often examine omni-channel retailing topics, but mostly unidirectional relationships (e.g., antecedents of one channel (offline or online) on either online, or offline outcomes). Fewer studies address bidirectional, almost all crosswise relationships. For example, scholars analyze offline and online outcomes, depending on offline and online channel image (e.g., Kwon and Lennon 2009a), offline and online price promotions (Breugelmans and Campo 2016), or information search (Verhoef, Neslin, and Vroomen 2007). However, reciprocity between offline and online channels goes beyond crosswise relationships and scholars call for research on reciprocity (Kwon and Lennon, 2009a; Montoya-Weiss, Voss, and Grewal 2003).

Therefore, based on categorization theory, we aim to advance the literature by analyzing the reciprocal effects

between offline and online images of retail channels and explain different effects on omni-channel loyalty, i.e., offline channel, online channel and retailer loyalty in general across fashion retailers. Moreover, we ask further whether and how the reciprocal effects vary for retailers with favorable vs. unfavorable prior associations of their offline and online channels.

Method and Data

We chose four fashion retailers (after conducting pretests) and collected longitudinal data (N = 600; recruited from an existing panel and regularly making offline and online fashion purchases). We assured that analyzed retailers offer all channels but focus major offline and online sales channels (stationary stores and websites of retailers are still predominant in omni-channel decision making and shape consumer behavior; Pauwels and Neslin 2015). The survey was conducted from 11/16 to 8/17 in three waves with 4-5 months between each wave and with the same respondents. Quota sampling according to the age and gender distribution was applied. After outlier analysis, 573 respondents per wave remained. Because the data deviated from normality, we chose the mean-adjusted maximum likelihood estimator.

We measured offline and online image using established seven-point Likert-type scale with 4 items reflecting each channel image (acc. to Anand and Sternthal, 1990; Kwon and Lennon, 2009a). Conative loyalty was measured channel

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specifically and in general with four items (adapted from Sirohi, McCloughlin, and Wittink (1998); Srinivasan, Anderson, and Ponnnavolu (2002)).

We controlled for age, gender, internet experience and familiarity with the retailer. Tests for model fit statistics and measurement invariance were satisfactory. We applied cross-lagged structural equation modeling using Mplus to test the hypotheses. We also calculated alternative models to strengthen our observations by using an alternative general channel evaluation: retail brand equity. The results remain widely the same and support our general findings.

Summary of Findings

This study contributes to our understanding of the reciprocity between general evaluations of offline and online channels and their effects for reasonable outcomes: offline, online, and overall retailer loyalty. Our results provide evidence for a positive reciprocal relationship between offline and online image. Moreover, the results support reinforcing effects of offline image via online image on loyalty (and vice versa), consumers categorize a channel alternative and transfer image evaluations from one channel to the other for channel evaluation. Scholars have addressed such categorization and transfer effects (e.g., Badrinarayanan et al. 2012; Wang et al. 2009) but without simultaneously considering the reverse relationship. We believe that this observation is notable, because it adds theoretically and empirically to the understanding of a full picture of interdependencies between offline and online channels. Regarding the total effects, the results support our theoretical assumption that both offline and online channel images affect omni-channel loyalty because consumers' category knowledge affects their attitudes and causes behavioral responses. The offline channel participates from the online one and vice versa, and therefore. For leading retailers currently even online loyalty depends stronger on offline images.

Moreover, previous prior associations seem also to be of paramount importance for omni-channel retailers. Favorable (vs. unfavorable) prior offline associations strengthen (weakens)

the total effects for overall retailer loyalty and offline channel loyalty. In case of unfavorable prior offline associations, only marginally or insignificant reciprocity effects of the online channel emerge. Favorable (vs. unfavorable) prior online associations strengthen (weakens) the total effects for overall retailer loyalty and online channel loyalty

Key Contributions

Our research is important for omni-channel retailers, which increasingly seek to manage evaluations across major sales channels. We offer important theoretical contributions by extending knowledge on reciprocity, e.g. of images (or equity in alternative models) and their effects on differently reasonable outcomes in omni-channel retailing. Moreover, we show that empirical tests of reciprocal effects can change extant findings (e.g., the role of exclusively observed online channels in unidirectional studies, Herhausen et al. 2015). In summary, we call for analyzing reciprocal relationships of omni-channel retailers. For example, retailers with favorable related associations (e.g., H&M) profit stronger from both offline and online image, whereas a weaker retailer (e.g., Esprit) may have only the option to rely on prior offline image effects and offline associations based on exposure to their physical stores only.

The results are of different interest for managers. Most important, consumers' loyalty towards the offline channel, the online channel, and the overall retailer is reciprocally most strongly affected by offline (vs. online) channel image. Practically retailers increasingly close physical stores that do not perform well by offline metrics, i.e., such as sales or profit per square foot, but such decisions ignore the important role that offline images play in building omni-channel loyalty (Ailawadi and Farris 2017). We conclude that omni-channel retailers (origin in stationary business) should be able to significantly increase offline loyalty by primarily designing offline evaluations in an omni-channel retailing context.

References are available on request.

Qualitative Insights into the Dark Side of Consumer–Technology Interactions

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Keywords: *consumer misbehavior, dark side, technology, virtual, mobile*

Description: *This paper uses the phenomenological method and identifies eight themes that represent the dark side of virtual and mobile technology for consumers.*

EXTENDED ABSTRACT

Research Question

Recently concerns over the impact of technology and its use on consumers and their lives have resulted in systematic research on possible negative aspects and consequences of technology use (Rosen et al., 2013; Turel et al., 2017). This paper takes a slightly different approach by drawing from Hodder’s argument that humans and things are relationally produced and that these relationships present a dark side as humans get entrapped in their relations with, and or dependencies on, things (2004).

Method and Data

The initial source of data consisted of 37 open-ended, in-depth interviews with non-student, adult consumers. The second source of data was 130 essays from undergraduate and graduate students about their experiences with a specific product or service. Later, follow-up interviews were conducted with five of those participants, as well as three interviews with new participants (the latter focused mainly on virtual reality technology).

Interviewees were asked about (a) the ways, positive or negative, in which *people* were using such technology; (b) how those usages were altering existing, or creating new, lifestyles, behaviors, and habits; (c) what needs to change to minimize the undesirable situations. Given the non-interactive nature of essay as a means of communication, more targeted instructions towards the dark side of technology was provided to students. As such, there was more direction and structure in the essays than the interviews.

Summary of Findings

The findings reflect eight key facets of technology-related dark-side consumer behavior that, in one way or another, cause harm to the individual user, other consumers, or society at large. These themes showcase human entrapment in mobile and virtual technology.

The first theme, refers to the role of digital memory (i.e., information available on the web) in facilitating accessibility and increasing the amount of information available about individuals (active or semi-active members of the net).

The second theme highlights how technology is hampering consumers’ trust by increasing privacy concerns. The findings highlight the role of technology in enabling others to breach personal privacy with commercial intent, as well as their inability to maintain private information of others, both resulting in breaches of privacy and trust.

The third theme highlights how some consumers are enabled and equipped by digital technology to target and victimize other consumers. This theme also raises concern over the side effects of such deviant behaviors including falsifying information and misleading others.

The fourth theme showcases the diminishing quality of presence as a result of divided presence into multiple tasks and environments (digital, virtual, or physical). Our findings extend the notion of disengagement and indicate that division of attention between two or more distinct tasks due to the need to be present in multiple contexts causes relatively

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lower engagement in each activity due to lower cognitive and/or affective resources dedicated to each task or context, ultimately resulting in lower quality of presence.

The fifth theme builds on the notions of divided attention and lower quality of presence and identifies the associated risky and dangerous behaviors such as using smartphones while in motion (e.g., driving, walking, crossing the street). This also highlights a broader phenomenon related to increased dependencies on mobile and digital devices and compulsive and addictive use of these devices.

The sixth theme identifies the need for immediacy and heightened immediacy expectations as factors that have contributed to the culture of availability. It heeds another dark side of technology use pertaining to the lack of perceived need for planning or even memorizing things. Extant research has yet to examine, in depth, the norms and expectations of culture of availability and disregarded the pandemic situation of immediacy in today's world.

The seventh theme identifies a dual experience with regard to feelings of authenticity in life. Generally speaking, consumers lament their abstract feelings that today's life is over-calculated and hypercompetitive, and such feelings imbues them with feelings of existential inauthenticity. At the same

time, they display genuine appreciation of detail and precise information that enables informed decision-making in certain contexts such as personal financial, education, health, and fitness.

The last theme is related to the growing reliance on digital and mobile devices and their capabilities as substitutes for our own cognitive and physical capabilities and motor skills. This reliance is analogous to outsourcing our tasks to the digital world at the physical and mental level.

Key Contributions

This research is an exemplar of going beyond the “why” and “when” of consumer technology adoption (e.g., Davis, 1989; Venkatesh, Thong, & Xu, 2012) and develop a deeper understanding of the nature of human-technology relationship and of potential entanglements (Hodder, 2014) and the consequent dependence and dependencies generated due to the increasing scope and scale of technology use in contemporary society. It bridges consumer misbehavior literature with paradoxes of technology literature by identifying various aspects of technology-related consumer misbehavior that elucidate specific paradoxes of mobile and virtual technology use.

References are available on request.

Electric Vehicle Adoption Behavior: Synthesizing the Technology Readiness Index with Environmentalism Values and Instrumental Attributes

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Keywords: *electric vehicles, technology readiness, environmentalism values, instrumental attributes, consumer behavior*

Description: *The research investigates the impact of environmentalism and Technology Readiness Index on adoption of Electric Vehicles.*

EXTENDED ABSTRACT

Research Questions

1. What are the predictors of EV adoption?
2. Is environmentalism a strong predictor of willingness to adopt an EV, as reported in previous studies? Should marketers, when promoting this product, use this factor as a segmentation element?
3. Can the TRI scale extend our understanding of EV adoption behavior when synthesized with environmentalism and instrumental attributes?

Method and Data

Data was collected randomly by distributing the hard copies of the questionnaires in city centers and shopping areas of three cities in the South West of the United Kingdom: Bath, Bristol and Cardiff. Respondents were chosen completely on the random basis to complete the questionnaires; they had the option to withdraw at any time. We set a filtering question in the questionnaire asking respondent if they possess a driving license; we excluded the respondents who were not qualified to drive a car. This process has yielded 184 completed questionnaires.

To measure Technology Readiness, we used the latest version of TRI published by Parasuraman and Colby in 2015; there are four items for each dimension of TRI that measure Optimism, Innovativeness, Discomfort and Insecurity. The

authors of the scale also suggested a formula to calculate the overall technology readiness (TR), which we used in our research. TRI is a copyrighted scale and we obtained a written permission from the publisher to use it.

We considered the Green scale, developed by Haws et al. (2013), an appropriate one to measure the environmental values. This 7-point scale has demonstrated a high predictive validity in a number of studies related to environmentally friendly products; it only has six items, which makes it practical to use in a questionnaire.

For instrumental attributes, we asked one question about the perception on the functional attributes of the electric vehicle: purchase costs, maintenance costs, fuel costs, convenience of charging and driving range.

Finally, we asked one question for willingness to purchase and one question for willingness to pay that both represent intent to adopt.

Summary of Findings

(1) We found that two dimension of TRI scale (Innovativeness and Optimism) are applicable to predict intention to adopt EVs. TRI has been applied in variety of contexts, but its applicability in EV adoption has been unknown.

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(2) Unlike previous studies, we found no relationship between environmentalism values and intention to adopt an EV. Previous studies highlighted the importance of environmentalism for a successful marketing of an EV. However, we found that EV adoption decision depends on perceived fuel costs and driving range, which are the instrumental attributes of the product. Also individuals who manifest a propensity to adopt a technology, as measured by TRI, are more likely to adopt an EV.

Key Contributions

Managerial Contributions

We recommend managers to use the TRI scale as their segmentation tool for their marketing strategy. Also we recom-

mend the managers to mainly promote the functional attributes of the EV, rather than focusing on environmental benefits of the car.

Academic Contributions

We have extended the previous studies (i.e. White and Sintov, 2017) that focused on the factors of adopting an EV by incorporating the TRI. We found that the general trait of readiness for technology is related to adoption of an EV.

References are available on request.

Postmodern and Post-Postmodern Characteristics in a Contemporary Consumer Tribe: Netnography of Drag Race Fans

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Keywords: *netnography, postmodernism, post-postmodernism, consumer tribes*

Description: *Highlighting the vibrant but also shifting postmodern characteristics of a niche online consumer tribe.*

ABSTRACT

This article considers the purported shift occurring in contemporary society, culture and philosophy. Characteristics of postmodernism and post-postmodernism are contrasted. Netnographic research identifies respective themes within a niche consumer tribe: online fans of the cult reality television program RuPaul's Drag Race. Illustrated are the complex dynamics of a contested cultural shift.

Keywords: *postmodernism, post-postmodernism, netnography, consumer tribes, culture, RuPaul*

Introduction

The idea that postmodernism is passé is one recently articulated. Cova, Maclaran and Bradshaw (2013) draw attention to the slow disappearance of the postmodern critique in marketing and a return to orthodoxy in place of this stimulating perspective which opened up the discipline to insights from multiple directions and challenged previous assumptions. They outline: "Many cultural commentators have pronounced postmodernism to be in its death throes, now little more than a market driven quest to celebrate difference and establish new market segments" (p. 222). Speculation is thus on the rise of a post-postmodern era. Turning away from postmodernism "a new sense, meaning and direction (is) arising" (Vermeulen and Van der Akker, 2010: 4).

The contribution of this article is to place the post-postmodern shift within marketing and vice versa. A comparison of characteristics of postmodernity and post-postmodernity from the viewpoint of marketing provides a timely re-evaluation of the former and outline of the latter. Following this, a netnographic study of online forums used by fans of

the reality television program RuPaul's Drag Race, is used to evaluate postmodern and post-postmodern characteristics amongst a contemporary consumer tribe. Research helps to evaluate the state of the post-postmodern turn in marketing and begin to illustrate what this might look like. Although signs are of some change in orientation, findings challenge the assumption that postmodernism is simplistically passé.

Postmodern and Post-Postmodern Characteristics

Postmodernism has been considered a complex phenomenon, frequently paradoxical and multi-faceted in nature, making it a hard concept to define. Nonetheless major conditions, characteristics and themes of postmodernism have been outlined in relation to marketing (i.e. Brown, 1994; 2006; Firat and Venkatesh, 1993). Three are drawn on here: anti-foundationalism, fragmentation, de-differentiation, and the reversal of production and consumption. Meanwhile certain post-postmodern themes have emerged from its blending of previous era's leitmotifs (i.e. Braidotti, 2005). Reviewed also are three post-postmodern characteristics

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which represent a shift in preceding postmodern conditions: determinism, reconstruction, re-differentiation, and the equalization of production and consumption.

Postmodern Anti-Foundationalism

Anti-foundationalism refers to postmodernism's "characteristic antipathy towards systematic generalizations and totalizing metanarratives which form part of the modern movement's discredited search for universal truths and objective knowledge" (Brown, 1994: 38). Postmodernism declares that most of what we have thought of as knowledge was socially constructed and is not connected to any sort of absolute truth. The postmodern consumer is liberated to be individualistic, playful, contradictory, self-indulgent and transient (Brown, 1994). Individuals have a host of roles, identities or selves, which are fluid, mutable and negotiable (Brown, 2006). This extends to gender and sexual identity which is increasingly recognized as individually felt, fluid and non-binary (Kacen, 2000).

Post-postmodern Determinism

Post-postmodernity has been associated with a return to determinism in terms of rehabilitating and recreating pre-modern and modern meta-narratives hybridized with post-modern influences. Thus Hatherley (2009: 153) highlights how in architecture, "typically postmodernist devices such as historical eclecticism, seem to have entered a terminal decline and been replaced by rediscoveries of modernist forms, albeit emptied of their political or theoretical content." According to Braidotti (2005), the common trait of the new master narratives associated with post-postmodernism is the return of determinism.

Postmodern De-differentiation

De-differentiation comprises "the erosion and effacement of established hierarchies and the blurring of what were formerly clear-cut entities" (Brown, 1994: 38). Postmodernism means a freedom from constraints and conventions (van Raaij, 1993) with as many choices as possible (Cova, 1996). New opportunities are for self-expression, with all styles permitted and subcultures increasingly trendsetters (van Raaij, 1993), with an emphasis on the contributions of marginalized groups (Brown, 1994). For postmodern consumers this has meant an emphasis on and enjoyment of the present moment, plurality and diversity.

Post-postmodern Re-differentiation

For Cova and Cova (2002: 596) "the postmodern era of social dissolution and extreme individualism is also seeing attempts at social re-composition as those who have finally managed to liberate themselves from social constraints are

embarking on a reverse movement to recompose their social universe." The word 'tribe' refers to the re-emergence of quasi-archaic values such as a local sense of identification, the common denominator of which is the community dimension (Cova and Cova, 2001). Leone (2015) suggests that nostalgia, referring to a yearning for a lost epoch, has become a European consumer trend as evidenced by the hipster and vintage movements. Nostalgia has been seen in post-industrial centers for example, as a means of maintaining the past and revitalizing areas in decline; something Kohn (2010) describes as reconstruction in the face of globalization-related deconstruction.

Postmodern Reversal of Production and Consumption

With the rejection of objective reality the presence of relatively permanent anchors on which to base the self disappears (Cova, 1996). In the absence of traditional sources of meaning, truth or reality, consumption takes on a disproportionate importance in terms of defining the self. It becomes a means for individuals to creatively appropriate and construct self-images in a postmodern consumer society obsessed with appearance; style as a substitute for identity and presentation rather than essence (Kacen, 2000). Consumption enables and provides the building blocks for the multiple roles, images, selves and desired realities that fragmentation allows (Firat and Venkatesh, 1993).

Post-postmodern Equalization of Production and Consumption

Whereas postmodernism dismantled production and reified consumption as the primary source of identity in the absence of others, post-postmodernism suggests an equalizing of production and consumption. Cova and Dalli (2009) describe more active and constructive contemporary consumers whose creative abilities have been increased due to their growing professionalism, and where the threshold to creativity has been lowered by new technology. This shift can be witnessed in areas such as contemporary art, where post-postmodernism is linked by Hatherley (2009) to interactivity and audience participation.

Methodology

RuPaul's Drag Race is a reality television show first aired in 2009. The premise of Drag Race is a competition to be crowned "America's next drag superstar." The eponymous RuPaul acts as judge alongside a panel of regular and guest critics. These decide who progresses and who is eliminated via weekly challenges themed around various traditions and skills of drag. Each week all of the contestants also model a themed runway look. Based on the quality of that week's challenge and couture, a winner is picked. Those judged to be in the bottom two compete with each other in a lip-synch

battle: miming the words to a well-known pop song. After whittling down the initial entrants a final queen is crowned.

Drag Race has an active online following on various social media, but this research has focused specifically on Reddit, a community forum and messaging board. The Rupaul's Drag Race sub-Reddit (<https://www.reddit.com/r/rupaulsdragrace/>) has over 120,000 subscribers. Drag race fans on Reddit are an example of Cova's (1996) tribes. This is a network of heterogeneous persons who are linked by a shared passion (Cova and Cova, 2001), and enabled by the internet which facilitates interactive expressions of individuality within homogenous groups (Simmons, 2008). In order to access and explore this tribe research adopted a netnographic approach. Concepts of netnography have emerged to describe fieldwork conducted on virtual environments (Kozinets, 2015). Netnography is a research tool that takes advantage of the changing virtual landscape, the rapidly growing participation in online communities, candor and richness of these (Mkono and Markwell, 2014). A passive approach was taken to netnography in this study, whereby researchers do not reveal their research activity to online participants, nor participate in online exchanges (Mkono and Markwell, 2014). Gaining individual consent is arguably not required when the data collected are from publicly accessible sites, whilst the 'lurker' format ensures that participants remain unaware of the researcher and interact in the relatively uninhibited manner characteristic of online communities (Mkono and Markwell, 2014).

Data collection consisted of reviewing publically shared posts relating to the Drag Race sub-Reddit; a dedicated collection of active and archived message boards. Kozinets' (2015) guidelines for capturing, collecting and storing data were followed. Due to the extent of material available on the Drag Race sub-Reddit, key word searches were used to scan active and archived posts. This was used to look for themes that might relate to postmodern or post-postmodern characteristics. Active discussions were also reviewed weekly during the research period (March–December 2017) in order to get a flavor of current topics within the community. In netnography taking the time to introspect is part of the method and data analysis was a gradual process involving decoding and contextualizing of the language, practice and rituals of the online crowd (Kozinets, 2015). All posts were transcribed verbatim into a word processing program where they could then be thematically coded at the analysis stage. Narrative and visual data was also screen-shot and collated, with themes amongst and reflections upon these made in author field notes throughout the research period.

Findings and Discussion

Netnography reviewed the discussion threads of participants in the Drag Race Reddit forum. This forum was found to be

a prolific, with dozens of conversation threads active at any one time, and many new discussions being started up daily. Emergent themes were related back to characteristics of postmodernism and post-postmodernism. Thus findings built up a picture of the presence of respective cues amongst the Drag Race fandom outlined in the following.

Anti-foundationalism and Determinism

Themes of anti-foundationalism were revealed in community discussions of Drag Race episode and series narratives. Discussions surrounding the controversial contestant PhiPhi O'Hara, who came across as aggressive whilst on the program; something she subsequently blamed on unflattering editing, illustrate a postmodern understanding of narratives as multi-authored, fluid, evolving, contested, and subject to individual interpretation. Interpretations of PhiPhi's representation by self and others vary widely, but general consensus is that there is no definitive answer, no complete villain or total conspiracy. Thus in the absence of a single truth the online community suggests that people don't get overly involved; illustrating a postmodern knowingness and detachment.

Nonetheless netnography reveals some concerns are expressed with staging interfering with the notion of authenticity; a term which in its indefinable yet strongly felt nature might capture post-postmodern emphasis. A concerned fan writes: "*Any glimmer of authenticity has been buried under hoards and hoards of editing and storytelling scripts.*" Interestingly a lot of praise is for those queens who remain "authentic" despite the staging going on around them. Others respond however that this is in itself a media savvy strategy.

De-differentiation and Re-differentiation

Netnography reveals how discussions between people are facilitated by the forum. Observed for instance is the way in which the forums are used by heterosexuals to get involved with and ask about gay culture. A discussion thread is for instance initiated by one participant: "*Me and my boyfriend are a heterosexual couple and huge fans of drag race. Would it be weird or offensive to show up to a gay bar together for a viewing party?*" A conversation follows offering various opinions and advice for doing so. This is a typical illustration of how the forums are a place for fostering interactions and blurring barriers between gay and straight cultures. The same process is described online by homosexual fans who through the show are exposed to a range of expressions of gay identity. Commentators describe being inspired by this, discuss having preconceptions of what it means to be gay challenged, and explain that these processes have helped to become more comfortable in own sexuality. Drag Race thus serves for some of its fans as a means of reducing and blurring distinctions that can be perceived between hetero and homosexuality, and within homosexuality itself.

De-differentiation is not seen positively by all users or in all cases. Comments are on the subject of increased representation encouraging voyeurism by heterosexuals: “*The fact is that most drag race fans, commonly the younger/straight ones, use the show as tourism into gay culture, and they really don’t know shit about our culture and history.*” Research also reveals a sense for some commentators of increased division within the Drag Race fandom itself. This is seen as especially the case amongst young Drag Race followers, connected and emboldened by technology. Associated with this is a digital divide between fans that use Reddit and those usually younger followers on other social media platforms. Discussions associate such followers with aggressive and inappropriate behaviors, such as harassing contestants who they do not like, and their supporters. A fan explains how this affects the wider community: “*If people wonder why the queens are so polite and friendly to each other this season, it’s because young fans are so insufferable.*”

Reversal and Equalization of Production and Consumption

Research demonstrates the enthusiastic and involved consumption of Drag Race by its Reddit fan base. Discussed is the importance of the program to followers who appreciate the positive messages and role models provided. Many fans describe being gay, bisexual or transgender and relate their struggles with these. In helping to represent marginal identities positively, Drag Race is talked about extensively in terms of its being affirming. Findings thus echo previous research that has shown consumption practices may, through development and display of identity, be a route to self-empowerment for stigmatized groups (Conrad Henry and Cauldwell, 2006).

Capturing an emphasis for some Drag Race followers on greater co-creative involvement, there are many discussions of fan art on Reddit. Posts show these to be produced as a way of expressing passion for particular queens, and for soliciting recognition from them. Followers encourage each other to go into business, request opportunities to buy products, and give suggestions on how to produce and sell wares. Handmade objects are a way of demonstrating one’s knowledge of Drag Race history. Obscure references and in-jokes inspire many of these pieces. Fan art thus appears to help followers get more deeply involved with Drag Race.

Conclusion

Exploring an online consumer tribe using netnography illustrates the occurrence and interplay of what could be broadly considered as postmodern or post-postmodern characteristics in a contemporary setting. Findings demonstrate the concurrent existence of these. Despite growing calls to the contrary and general neglect, there seems to be vitality in

postmodernism yet. Plentiful evidence is of anti-foundationalism, de-differentiation, and enjoyment of associated consumption in the Drag Race online fan community. Nevertheless a shifting emphasis amongst some tribe members, might hint at changes underway. Signs of more deeply felt identities, tribal affinities, and greater desire for involvement, are redolent of post-postmodern themes.

This adds complexity to current discussion of the post-postmodern turn and suggests that although a shift to a new cultural understanding may be underway, postmodernism cannot be simplistically dismissed as passé. As Breu (2011: 200) argues: “One danger of such a shift in intellectual common sense, however, is that what is rejected can become reduced to a flat caricature, easy to dismiss and put behind us.” Transitions between periods are a gradual shift and not a schism (van Raaij, 1993). “The seemingly endless list of terms vying for position in describing what comes after postmodernism may simply be signs that postmodernism is not dead after all” (Cova *et al.*, 2013: 218). Postmodernism goes on, albeit perhaps in a defanged form, less humorous, provocative or disruptive (Hatherley, 2009).

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Affect in Vendor Evaluation: An Experiential Value Framework to Explain Executive Behavioral Intent in Organizational Buying

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Keywords: *customer experience, experiential value, anticipated emotions, behavioral intention, B2B, emotions in B2B*

Description: *This study proposes and tests an experiential value framework to explain formation of individual behavioral intent along with an exploration of the role of anticipated emotions influencing behavioral intention during organizational buying.*

EXTENDED ABSTRACT

Organizational behavioral models generally perceive B2B decision making to be influenced by cognition with negligible role of affect. Recent research in B2C space indicates the role affect plays in consumer decision making (Spence et al., 2014; Gilboa et al., 2016; Chahal and Dutta, 2015; Song S., 2015; Chauhan and Manhas, 2014) leading to development of customer experience frameworks for consumer behavior. Organizational buying research on affective elements has been restricted to service satisfaction and delight from service quality (Oliver and Westbrook, 1993; Parsuraman et al, 1994) or factors like affective commitment (relationship theory, psychological contract). Relationship marketing concept is proven in organizational buying where its positive outcome in terms of both financial and strategic gains for the parties involved is well established (Sheth and Parvatiyar, 1995; McKenna, 1991; Vavra, 1992; Naumann, 1995).

Recent advances in theory and practice of managing satisfaction and expectations suggest that customer experience and experiential value are major determinants in the relationship context. While various frameworks of organizational buying behavior have been explored in the past, this study explores vendor-executive relationship from a customer experience view focusing on the experiential process as well as how experiential value builds up during this

process. It also highlights the role of anticipated emotions in behavioral intent formation during the vendor evaluation process.

Research Question

While constructive models present a logical approach towards decision making, they fail to consider the dynamism due to parallel processing of information. Formal incorporation of emotions and affective appraisal is not included in these extensive choice models. Further, perspective of consumer experience as a determinant of choice is also not fully evident. Appraisal theory approach fills in this gap and much of its structural and process modeling approach seems to describe consumer evaluation and choice process closer to real-world scenario, making it a better model for understanding decision process.

This study uses the appraisal process schema provided by Scherer (2009) as a reference along with the concept of anticipated emotions leading to purchase intent formation (Bagozzi et al., 2016) to addresses the following questions in organizational buying: (1) How does (the process of) customer experience lead to experiential value and behavioral intent formation of a buying center member in a B2B situation? (2) Do ‘anticipated emotions’ (purchase and non-pur-

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chase) play a role during individual behavioral intent formation in an organizational buying scenario?

Method and Data

A questionnaire based on existing scales and other specific items developed for the purpose, was used with a simulated vendor evaluation scenario based on a sequence of responses received from vendors against a request for proposal. A convenience sampling method was adopted to include industry participants, primarily those who had played a buying center member role and evaluated vendor response as a purchase/technical team member. The participants were offered a briefing on key findings of this study as an incentive.

The study involved simulating three episodes of executive-vendor interactions and respondents were expected to report individual experience based on each stage of their evaluation of vendor responses. Structural equation modeling and other analysis techniques were used to analyze the data and verify the experiential value framework proposed.

Summary of Findings

The results from this study established B2B decision making based on experiential framework, as a three level appraisal process approximating to the proposed sensory motor level,

schematic level, and conceptual level of appraisals. The relationship between various constructs (customer experience, experiential value, cumulative experiential value, anticipated emotions, and behavioral intention) of the proposed model was ascertained and formation of cumulative experiential value verified. Further, role of anticipated emotions mediating the path between cumulative experiential value and individual behavioral intent was established in a B2B context of executive choice phenomenon.

Key Contributions

The study proposes a cumulative experiential value model where in customer experience and decision making in a B2B scenario is presented as an appraisal process drawn from various established decision making processes. Role of anticipated emotions in behavioral intent formation in industrial buying is brought out. The study helps marketers understand how experiential value during each customer interaction metamorphoses to form a cumulative experiential value which influences behavioral intent of a buying center member. Learnings from this research can be applied by marketers to strategize their offerings and association with consumers positively.

References are available on request.

Experiences Are for Me: Self-Construal and Experiential Purchases

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Keywords: *self-construal, experiential and material purchases, tradeoffs*

Description: *Our research examines the effect of self-construal on experiential and material purchase tradeoffs.*

EXTENDED ABSTRACT

Research Question

The choice between experiential and material purchases is an important topic in both consumer behavior and social psychology (Carter and Gilovich 2010; Nicolao, Irwin, and Goodman 2009; Tully, Hershfield, and Meyvis 2015). Our research investigates how the tradeoffs between these two types of purchases are influenced by self-construal. Specifically, we propose that independent driven consumers are more likely to favor experiential purchases than those with an interdependent self-view.

Research Background

Self-construal theory examines how an individual perceives him/herself and the connection to other people (Markus and Kitayama 1991). While independent self-view tends to emphasize individuality and the difference from others, interdependent self-view tends to emphasize conformity and the connection with others. Consistent with their self-view, independent driven individuals are more likely to pursue unique options than interdependent driven individuals (Chang 2010; Kim and Markus 1999; Song and Lee 2013). Such distinctions are important because it may influence their choice of products in consumer settings. While the primary goal is to acquire concrete objects through material purchases, the main focus is to gain valuable experiences through experiential purchases (Van Boven and Gilovich 2003). In particular, experiential purchases are often perceived to be less comparable than material purchases and are viewed as more unique (Carter and Gilovich 2010; Rosenzweig and Gilovich 2012). As such, there is congruency between self-construal and the type of purchase. Specifically, because of the preference for unique options among individuals with independent self-construal, we hypothesize

that they would favor experiential purchases since which are perceived to be more unique than the material purchases. Such congruency facilitates choices and we propose processing fluency (Lee, Keller, and Sternthal 2010) as the underlying mechanism that drives the effect of self-construal on the preference for experiential versus material purchases.

Summary of Findings

To test our hypotheses, we conducted five studies, in which we used different operationalization of self-construal (through cultural differences, individual differences, and priming task) and various ways to examine the preference between experiential and material purchases (through purchase recall, choice sets, and purchase framing). Furthermore, we examined the underlying mechanism of process fluency as well as the role of uniqueness.

Across five studies, we demonstrated the role of self-construal in the preference between experiential and material purchases. In particular, independent self-view increased the preference for experiential purchases because of increased processing fluency.

Key Contributions

This research would advance our understanding of the trade-off between material and experiential purchases and the underlying processes. In particular, we showed the role of uniqueness in such tradeoffs and how the mechanism was manifested through processing fluency. The findings would be relevant for managers in designing marketing strategies to better promote and target material and experiential products. In particular, marketers should consider the congruency between customers' self-construal and the purchase type.

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For example, situationally activating an independent self-view could be beneficial in promoting experiential products, while situationally activating an interdependent self-view could be advantageous in promoting material products. In many instances, the perception of a product could be rather malleable (Carter and Gilovich 2010; Carter and Gilovich 2012). It could be effective to highlight the experiential aspects of a product in a market with predominantly inde-

pendent driven consumers whereas it could be useful to emphasize the material aspects in a market dominated by interdependent minded consumers. Such a tailored approach may enhance the relevance of the advertising messages and improve the effectiveness of the firm's overall marketing strategies.

References are available on request.

Need for Smell: Individual Differences in Odor Information Processing

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Keywords: *need for smell, odor hedonic perception, emotional ability, odor imagery*

EXTENDED ABSTRACT

While olfactory perception is critical in many aspects of consumer behavior and a key contributor of sensory experience, the current literature on sensory perception appears to focus mainly on visual and auditory stimuli. Further, scholars are yet to understand fully the individual differences in the olfactory perception and their subsequent behavior in the contexts of product evaluation, consumption and buying. To address this problem, we argue that need for smell and emotional ability help shape consumers' odor related decision making. The aim of this paper, therefore, is to develop a domain-specific scale that measures individual differences in processing olfactory information that we refer to *Need for Smell (NFS)*. We define NFS as "an individual's ability to respond to stimulation perceived through sense of smell and using that information as an input in decision making." The scale development procedures revealed that NFS is a 10-item multi-dimensional construct with two dimensions: hedonistic and functional. Results provided empirical evidence for the differential impact of hedonistic and functional dimensions of NFS on a variety of product scents.

Research Questions

1. How do consumers differ in their need for smell and preference for odor information?
2. How does emotional ability effect consumers need for smell on product related decision making?

Need for Smell (NFS) Model

We integrated NFS into a framework that we refer to as the "NFS model." The goal is to empirically confirm the theo-

retical relationships in NFS model as well as nomological validity of NFS scale. We developed the NFS theoretical relationships from sensory marketing framework (Krishna, 2012) rooted in research on anatomical connections among scent, emotion and memory (Aggleton and Mishkin, 1986; Cahill et. 1995; Eichenbaum, 1996).

Dimensionality of NFS

We conceptualized NFS as multidimensional construct with two five-item dimensions: *hedonistic and functional*. Hedonistic dimension represents consumers' hedonic behavior (enjoyment, arousal, stimulation and excitement; Holbrook and Hirschman 1982; Babin et al. 1994). Functional dimension represents individuals' object-oriented and rational judgments—such as decoding and using olfactory information with the purpose of evaluating the utility facets, including perceived simplicity, perceived quality, perceived value (or worth) of the product (or environment) (Babin et al. 1994).

Method and Data

We tested hypothesized NFS relationships in a laboratory environment in an Australian urban setting using a probability sampling. We conducted four studies using 19 product scents (Noble, 1984 and 1987) and a within subjects experimental design. We collected data via a computer survey from 764 participants consists of non-smokers aged between 18 to 39 years. We adopted and adapted our measurement items from past research (Peck and Childers, 2003; Mayer, Salovey and Caruso, 2002; Watson et al. 1988; Simmons and Becker-Olsen, 2006).

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Summary of Findings

We found that the scale possesses the hypothesized two-factor structure, demonstrates high reliability, and systematically adheres to theoretically grounded relationships in NFS model. All factor loadings are large and the maximum likelihood estimates are statistically significant suggesting that measurement models used to test NFS model are acceptable and the developed NFS scale including the measures used to estimate other latent constructs in NFS model are reliable and valid. We found that both hedonistic and functional NFS have direct effects on consumer odor hedonic perception, odor-evoked emotions and attitude but no indirect effects were found. The results further demonstrated that both hedonistic and functional NFS together have a statistical significant effect on consumer-related outcomes via odor perception, positive and negative affect, and odor imagery. Moreover, we found that only functional NFS interceded the understanding and management branches (Branches 3 and 4) of emotional intelligence in subsequent decision-making despite perceiving and using emotions (Branches 1 and 2) to improve respondents' thinking. This suggests that odor-related product choices are influenced by consumers' emotional ability and knowledge in understanding and managing emotional information and that high functional NFS con-

sumers may also possess high levels of strategic emotional intelligence.

Key Contribution

Thus far, odor research advocates individual differences in their ability and preferences for odor information, however, there is no scale to measure this factor. Our NFS scale is designed to measure the susceptibility of an individual to using scent as an input for decisions and evaluations which heretofore overlooked by odor research. We not only provided empirical evidence showing the appropriateness, functionality and predictive power of the NFS scale across four studies using NFS model, but also presented an effective and psychometrically sound means of assessing individual differential ability in odor perception, emotional and cognitive judgments and evaluations appropriate to consumer behavior domain. It is important to note that NFS instrument is not intended to replace more general measures but rather to serve as a more domain-specific instrument that can be used to assess consumer outcomes. The implications include significant changes to segmentation, targeting and positioning of products, servicescapes, place marketing and multisensory place designs.

References are available on request.

Brand Placement Effectiveness in Bollywood Movies and TV Reality Shows: A Country of Origin Perspective

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Keywords: brand placement effectiveness, media type, country of origin, plot connection

Description: *The present research has been an endeavor to investigate experimentally how country of origin (Domestic/Foreign) of the placed brand in the context of varying levels of plot connection (High/Low) in different media types (Bollywood movies/TV reality shows) influences brand placement effectiveness.*

EXTENDED ABSTRACT

Research Question

The primary purpose of this study is to investigate the effects of brand placement in Bollywood movies and TV reality shows, for varying levels of plot connection and country of origin of the placed brand and also to measure their interaction effect on brand attitude and intention to purchase among Indian audiences. No study has measured the domestic and foreign brand placement effectiveness in different media types in an emerging economy like India. It is therefore important to gauge Indian audience reactions to domestic and foreign brand placements in different media types. Therefore, we study country of origin of brand placements by measuring domestic and foreign brand placement effectiveness in Bollywood movies and Television reality shows with respect to low and high plot connection. The influence of media types on brand placement effectiveness has rarely been explored in India (Kumar and Balkans, 2016), accordingly, limiting our knowledge about brand placement effectiveness with respect to features of brand and growing media types. To our knowledge, no such study exists that investigated how country of origin of the brand in particular, placed in different media types with varying levels of plot connection influence the brand placements effectiveness.

Method and Data

A content analysis of 13 Bollywood films and 9 TV reality shows released in India from 2016 was initially performed to identify brand placements. Potential scenes of brand place-

ments to be used in the experimental study were identified at this stage. Finally, four Bollywood movies and four Indian TV reality shows were selected. Only one brand placement containing only one brand was selected from each Bollywood movie and TV reality Show. Hence, eight brand placements from recent Bollywood movies and Indian TV reality shows that were deemed to be domestic and foreign in country of origin and high or low in plot connection. Using multiple and different Bollywood movies and Indian TV reality shows decreased the likelihood that any results were due to the specific characteristics of any one movie/TV reality show (Peters and Lasher, 2013). The hypotheses were tested via a $2 \times 2 \times 2$ MANCOVA with media type (Bollywood movies/TV reality shows), plot connection (Low/High) and country of origin (Domestic/Foreign) as the independent variables.

The current study adopted brand attitude and purchase intention as the dependent variables which are used as indicators of brand placement effectiveness (Chan, Petrovici and Lowe, 2016). Program liking was used as covariate. Questionnaire items were adapted from previously developed scales (Gupta and Gould, 1997; Dens et al., 2012; Chan, Petrovici and Lowe, 2016; Davtyan and Cunningham, 2017) and further modified to maximize their fit. Since, most of the brand placement research was conducted in a laboratory, using students as subjects (Dens et al., 2012; Srivastava, 2018). Therefore, a laboratory-based experiment was

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adopted in which participants were randomly assigned to one of the eight experimental conditions to watch video clip and respond to questionnaire. A laboratory based experimental setting enabled the manipulation and control over the allocation of research stimuli. Same experimental procedure was followed as adopted by Dens et al., 2012.

Summary of Findings

Multivariate ANOVA results confirmed that use of different brands in experiments had no impact on brand attitudes and purchase intention ($p < 0.05$). These findings imply that the use of different brands is not likely to confound the results. Similar to the findings by Dens et al., (2012), program liking did not prove to be a significant covariate, ($F_{2,230} = 0.271, p = 0.763$). In addition, MANCOVA results indicate that media type significantly influenced brand attitude and purchase intention ($F_{2,230} = 4.704, \lambda = 0.961, p = 0.010$). The relationship is in the expected direction, in that brand placement in movies leads to a higher brand attitude and purchase intention than brand placement in TV reality shows. In addition, MANCOVA analysis also indicated that plot connection has a significant effect on brand attitude and purchase intention ($F_{2,230} = 10.016, \lambda = 0.920, p = 0.000$). The MANCOVA results also indicated an insignificant effect of country of origin on brand attitude and purchase intention ($F_{2,230} = 0.612, \lambda = .995, p = 0.543$) (Table 2). In addition, results of a 2 (Media type: Bollywood movies vs. TV reality shows) \times 2 (Plot connection: Low vs. High) \times 2 (Country of origin: Domestic vs. Foreign) full factorial MANOVA revealed significant three-way interaction ($F_{2,230} = 5.953, \lambda = .951, p < 0.05$).

Key Contributions

The present study attempts to add to the growing body of literature on brand placement and contributes to increased understanding of brand placement effectiveness with respect to different media types. From a theoretical viewpoint, the current research intends to build up our comprehension of the brand placement effectiveness across two different media types and helps us to understand how varying level of plot connection and country of origin of the placed brand are likely to impact brand placements effectiveness in India. The current research contributes to the literature and demonstrate that different media types and varying level of plot connection can influence the brand placement effectiveness.

Implications of this are important and encouraging for brand managers and advertisers as no such significant impact of country of origin was found on brand placement effectiveness. From a managerial perspective, domestic as well as foreign brand managers should explore various media types to create a favorable brand attitude as well as image of country of origin of brand in their marketing strategies for the Indian market. This study also provides insights for researchers, marketing organizations, media houses and particularly for foreign brand managers for strategizing effective use of brand placement as a tool for brand communications in various media types in India.

References are available on request.

Consumption Experiences of Third Generation British Sikhs: Insights from a Matrimonial Website

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David Chitakunye, BMPC Consulting

Keywords: *acculturation, identity, transculturality, consumer culture*

Description: *This research paper looks at the experiences of young third generation British born Sikhs in the U.K. and how they experience processes of hybrid identity negotiation as they engage with an online matrimonial website, that is also a transcultural tool.*

EXTENDED ABSTRACT

Research Questions

How does the consumption of virtual spaces (matrimonial website) transform consumption practices amongst migrating communities? and how does this in turn produce hybrid consumption practices, transcultural identity, and different patterns of consumption behaviors?

Method and Data Used

This study adopts an interpretive approach. Consistent with an interpretive research design, our data collection used multi-methods, combining auto-ethnography, netnography (Kozinets, 2002) and online/offline semi-structured interviews. The first author is herself a third generation British Sikh and for two and a half years she was an active member, and participant of the shaadi.com online community. As such, acculturation and re-acculturation understandings shared within this study are from an insider perspective. Prior to any interaction with other Sikhs who were looking for a matrimonial partner, the first author was guided by the ESOMAR code of conduct for internet research, declaring her research interests and assuring participants of anonymity. As such, pseudonyms are used to protect the identity of the informants.

In addition to interview transcripts, the netnography resulted in a significant amount of field notes, describing the researcher's own reflections and emotions about the matrimonial processes taking place, as well as her own observa-

tions of the interactions that took place on the site. In total, the final dataset comprised: transcripts from 15 online interviews and 15 offline interviews; and auto-ethnographic field notes which were detailed and corpus, resulting in over 800 pages of text. Interviews were saved, and then analyzed on a line by line basis using thematic analysis. As for the offline interviews, informants were recruited from the local community and interviews were tape recorded and transcribed before being analyzed. Interviews took place in the homes of the informants or in a mutual meeting place. The next section discusses the findings that emerged from these multiple data sets.

Key Contributions

This study not only contributes to the field of acculturation but more importantly it contributes significantly to the scarce research in the area of consumer re-acculturation (Al-Krenawi and Graham, 2005) as well as hybrid identity construction processes within ethnic and migrant communities. British Sikhs reconnected with the Sikh sub-culture through the integration of key customs, traditions and rituals, as is evident through the identity maintenance and re-acculturation processes that we have described. The consumption of shaadi.com "facilitates and mobilizes the transnational imagination and helps to create new ways for consumers to think of themselves as Asian" (Cayla and Eckhardt, 2008, p.216). Fittingly Maldonado and Tansuhaj (2002) termed the process of transformation as 'transmogrify (change or com-

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mute)’ from one culture to another. Certainly the re-acculturative and acculturative processes experienced online, transform individual hybrid British Sikh identities. Just as scholars (Peñaloza, 1989; 1994, Jun *et al.*, 1993) propose the notion of varying degrees of acculturation, there were also varying degrees of re-acculturation within the hybrid identities of young British Sikh.

Summary of Findings

According to Berry *et al.*, (2006) how a new generation makes “the transition to adult life, and how it is able to negotiate multiple cultures and identities, is crucial for the success or failure of immigrant integration in our societies” (p.1). This paper demonstrates how young third generation British Sikhs experience this transition and negotiate their hybrid identity to integrate into society, whether it is Sikh, British or the British Sikh culture. Within this context, this study demonstrates how consumption of the hybrid and virtual space of shaadi.com offers young third generation British Sikhs a transitional tool that enables them to negotiate multiple cultures and identities. Further, shaadi.com offers an online space where young third generation British Sikhs are able to freely express and convey their innermost voices about courtship, away from the prying eyes of the older generation of the British Sikh community. In fact, informants perform hybridity in a reflexive manner in the

context of the shaadi.com website, as they question the practices of the older generation of the British Sikh community, and reflect insights about courtship practices that are mediated by shaadi.com. Within this context, we argue that shaadi.com contributes to the settings that support acculturative and re-acculturative processes, as it integrates the characteristics of Sikh marital traditions labeling itself a matrimonial website, whilst imitating the concept of the Western online dating website. Our findings reveal that shaadi.com supports both psychological adaptation (stress, coping, culture learning) and socio-cultural adaptation (behavioral aspects) as young British Sikhs employed this virtual space to ‘fit in’ and construct a hybrid British Sikh identity. This emergent identity preserved intra-group identity and rituals. Whilst Berry *et al.*, (2006) ‘conceive of cultural identity as a sense of belonging to one or more cultural groups and that strong ethnic or national identities provide a sense of emotional stability and personal security’ (p.133), we found that young British Sikhs using shaadi.com, represent those acculturating and reacculturating individuals who are uncertain of their identities and therefore adopt this virtual space “as a means of asserting self-expression” (Lee, 1980). Therefore shaadi.com was employed as space that provided “emotional stability and personal security” (Berry *et al.*, 2006, p.133).

References are available on request.

Image Congruence, Emotions and Brand Loyalty: Insights from Multi-Ethnic Emerging Market

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Keywords: *image congruence, brand loyalty, tri-dimensional loyalty model, self-congruity theory, user-derived benefits*

Description: *This study examines the effect of ideal social image congruence and consumption emotions on brand loyalty directly or indirectly through customer satisfaction, perceived value, and user-derived benefits in a multi-ethnic emerging market.*

EXTENDED ABSTRACT

Research Question

In today's competitive world, it has become increasingly difficult for traditional retailers to keep their customers loyal to their brand due to low switching cost and convenience provided by e-retailers. Marketers have started to become aware of the importance of brand loyalty and it has been an important topic for researchers over the past 20 years or so. Marketers are aware of the fact that cost of recruiting new customers can be five to twenty-five times more than retaining existing customers (Gallo, 2014). Therefore, this study attempts to examine how ideal social image congruence and consumption emotions affect brand loyalty directly or indirectly through customer satisfaction, perceived value, and user-derived benefits.

Method and Data

The data was analyzed using SmartPLS 3.0. Convenience sampling is the sampling method that was used in this study. We managed to obtain a usable sample size of 300. The targeted population of this study was working adults with age of eighteen years and above. The majority of the respondents were aged 23-40 (82%), then aged 41-52 (7.3%), followed by aged less than or equals to 22 (5.7%) and finally aged 53-63 (5%). The majority of the respondents had monthly income of less than RM3000 (45.7%), followed by RM3000-RM6999 (33%), RM7000-RM15999 (13.7%), RM16000-RM24999 (5%), and more than RM25000 (2.7%).

Summary of Findings

Out of 76 hypotheses tested, 34 were supported. This includes direct and indirect effects between the constructs in the study to be more precise, it includes ideal social image congruence, positive consumption emotions, negative consumption emotions, customer satisfaction, hedonic value, utilitarian value, goals, sensory pleasure, cognitive loyalty, affective loyalty and action loyalty. Customer satisfaction, hedonic value, utilitarian value, goals and sensory pleasure played the role of mediator, whereas brand loyalty was a tri-dimensional construct (cognitive loyalty, affective loyalty and action loyalty). Apart from this, a few multi-level mediation paths were also found in the study. For instance, the relationship between ideal social image congruence and action loyalty was mediated by goals, utilitarian value and hedonic value with cognitive loyalty. Cognitive loyalty was the most significant predictor for action loyalty while customer satisfaction was the most significant predictor for affective loyalty whereas hedonic value was the most significant predictor for cognitive loyalty.

Key Contributions

The main contribution of this study is the integration of tri-dimensional loyalty model and self-congruity theory. The integration gives a better picture on how ideal social image congruence affect the tri-dimensional brand loyalty. Integrating of the theories, the relationships between cognitive

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and affective loyalty towards action loyalty are among the most significant contributions.

Alongside, based on the findings, several implications have emerged. When consumers are pleased and contented with their preferred clothing brand, they are highly satisfied. Enhancing satisfaction leads to brand loyalty. Therefore, marketers should create simple and cozy store layout where consumers could search for their desired products easily. Having the right aroma in the store can create a dif-

ferent store environment, as it helps to arouse consumers' feeling in shopping, thus increase their satisfaction which leads to brand loyalty. Apart from functional value, consumers do purchase because of the brand value where it portrays the social status and pride (Chon, 1990) specifically for upscale market segment. Therefore, marketers should always improve their brand value in order to charge premium price.

References are available on request.

Understanding Consumer Sensory Preferences: An Ethnographic Investigation of Sensory Flamboyance and Subtlety in India

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Keywords: *cultural capital, sensory flamboyance, taste distinctions*

Description: *An ethnographic investigation of how sensory flamboyance and subtlety in tastes is structured by cultural capital.*

EXTENDED ABSTRACT

Research Question

Limited research has inquired about basic preferences for high versus low sensory intensity in consumption, including the use of bright colors, loud music, and strong tastes and fragrances. Marketers use a variety of sensory appeals to communicate about their brands to consumers (Krishna 2012), but these may not be equally efficacious across consumers. While there are individual differences in propensity for different sensory elements such as need for touch, visual versus auditory processing or power of taste discrimination (Peck and Childers 2008), we investigate whether basic preferences for sensory flamboyance versus subtlety are structured sociologically and by early childhood experiences, rather than by individual dispositions.

Method and Data

In this research, we focus on both upper and lower socioeconomic classes to ascertain their cultural and symbolic capital resources, and consumption preferences across sensory domains such as clothing, food, music, touch and smells. Twenty eight depth interviews were completed with women from three Indian cities- Hyderabad, Delhi and Chandigarh. Informants were classified into two broad groups - low cultural capital (LCC) and high cultural capital (HCC) as jointly determined by the Indian socioeconomic classification, which was used for recruiting participants, and Holt's (1998) classification system, using a procedure similar to

Üstüner and Holt (2000), with adaptations for the Indian context. We learned about our informants' sensory consumption preferences through observation, probing and with the help of prepared stimuli which varied in flamboyance (visuals of clothing, jewelry, purses, shoes, and watches, physical samples of clothing material and fragrances). We created a projective technique that we dub "Dress-Up," based on the Jennifer's Closet technique (Fisher, Belk and Kozinets 2013). Informants were presented with a paper cutout of a female figurine and the prepared stimuli, and were asked to dress the female figurine, described to be of a similar background as theirs, for different occasions such as a family wedding, a distant relative's wedding etc. Observations of home décor, ambient sounds, fragrances and food samples were used to assess preferences regarding sensory intensity across other sensory domains.

Summary of Findings

Sensory flamboyance or subtlety is proposed to be a unique currency of cultural capital, used to negotiate community membership. Bigger, gaudier clothing, strong scents, loud music and spicy food are interpreted as part of an empowering strategy employed by a class largely deprived of social power and economic independence. Sensory flamboyance may also be a tangible way of embellishing life experiences for the otherwise economically impoverished, while further serving as a surrogate for the coveted gold that remains a

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chimera. Subtlety as adopted by the upper classes is perhaps recognized, but there is no desire to emulate it.

Key Contributions

Our work answers calls from consumer culture theory researchers regarding contextual theory development (Arnould and Thompson, 2005; Askegaard and Linnet, 2011), and studying emerging forms of cultural capital (Chaudhuri and Majumdar 2006). It also reopens the neglected domain of sensory tastes and bodily pleasure and constraint (e.g., Falk 1994; Gronow 1997; Serres 1985/2008). Following the approach suggested by Belk,

Rodner and Sobh (2018), we present multiple theories of the observed phenomena, including psychologically driven theoretical explanations, arguably enabling richer interpretations of complex phenomena. Our findings should be helpful in understanding the consumption dynamics of individuals in emerging economies, where not only are consumers' discretionary incomes increasing, but so are the demarcations between social classes (Ablett et al 2007), with implications for product and marketing communications design.

References are available on request.

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Beyond the Brandfest: Face-to-Face Encounters in a Transformative Consumption Community

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Keywords: *consumption community, brand community, social impact, social identity*

Description: *This netnographic study analyzes the online behavior of consumption community members who initiate a face-to-face gathering in an effort to understand behavioral changes due to face-to-face interaction.*

EXTENDED ABSTRACT

Research Question

Brand community can affect purchasing behavior of members and engage consumers who identify with the brand through face-to-face events celebrating a brand, known as “brandfests.” Because of the impact of such brand communities, research around the topic has flourished. However, receiving less attention but equally important, are non-brand-specific consumption communities and the face-to-face events where marketers can interact with these consumers. Examples of such events are national conventions, such as Comic Con and the Anime Expo. Consumption communities demonstrate the same markers of community defined by Muniz and O’Guinn (2001); however, they have a wider scope and scale as the enthusiasm is for a particular activity, rather than the brand itself. These events are numerous and extremely popular around the world, and we argue that they may even be more influential a venue for marketers than brandfests. By understanding these consumption communities better marketers will be able to reach far more new and existing consumers, who are active members of very persuasive online consumption communities.

The research questions that we seek to answer in this study are: *Do consumption community face-to-face events matter?*, and *Do online community participants demonstrate different behaviors before and after attending a face-to-face event?*

Method and Data

We conducted a qualitative netnography (Kozinets 2002) to analyze the online behavior of consumption community mem-

bers who initiate a face-to-face event before and after the event. We analyzed the Mr. Money Mustache forum, which has over 35,000 members and more than 1.6 million posts.

We identified users who have initiated posts interested in creating a meetup in his or her local area and downloaded all of these users’ posts from three months prior to posting the meetup invite and three months after the posting. Data came from the text directly copied from forum posts, and the researchers’ own notes and reflections on the community data. The data was then classified by behaviors.

A total of 10 members were analyzed, ranging in forum status from “5 o’clock Shadow” (lowest status) to “Magnum Stache” (highest status), and ranging from 8 posts to nearly 5,000 posts per user. After aggregating all “pre” and “post” notes, they were categorized based on similar characteristics for each time period. The resulting categories are community orientation, self-expression, attitudes, and habits.

Summary of Findings

Prior to the meetup initiation, users were distanced from the community. They welcomed new members and offered suggestions, tips, and advice on a range of subjects. They tended to use general language and lacked personality. Language was formal and with correct spelling and grammar. They also displayed uncertainty and provided justifications for decisions. They are also very attentive to the “rules” of Mustachianism.

After the initial meetup request there was a marked difference in the expression of membership by the users. Criticism

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regarding those not following the rules became evident, as well as an increased desire to know more about the community. These Mustachians also had an increased desire to meet up, citing how important it will be to retired life.

Posts and comments became increasingly informal, with slang words and phrases, profanity, sarcasm, and grammatically incorrect sentences. This also includes an increased use of the MMM terminology in their posts. Attitudes evolved from weak attachment to increased commitment, and these members also showed an increased desire for the good of the community as a whole. The post-meetup Mustachians became more active in replying to others' posts or offering advice. They were also more willing to share their personal experiences.

Key Contributions

In this study, we examined the online behaviors of lifestyle community members before and after initiating face-to-face contact with other members. In an area dominated by brandfests, this study demonstrates that face-to-face events are about more than brands and products. Here we have found that the pull of the community, emboldened by face-

to-face contact, powerfully influences the behavior of its members, in particular the new members who are seeking the community.

While previous thoughts indicate that most events reinforce already strong and loyal members, our research finds that face-to-face events are often attended by new members and those who are seeking to become part of the community. This in turn affects their behavior within the community, becoming more committed to the lifestyle and to the community overall.

This research has important implications for marketers, as such communities may be resistant to push marketing; however, they are deeply influenced by the pull of the community. By participating in face-to-face consumption community events, marketers can reach new enthusiasts and gain important insight into the community itself. As we have shown in our research, such events have important implications for the participants as well, such as improving the quality of life after retirement.

References are available on request.

Webcare and Brand Evaluations: Optimizing Webcare Strategies for Service Brands

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Keywords: *webcare, online complaint management, response strategy, signaling theory, selective response strategy, exhaustive response strategy*

Description: *This study explores how a brand should respond to online reviews – whether they should respond to all reviews or only selectively to positive/ negative reviews and also proposes the characteristics of review set (review balance, review frame, responsiveness) moderates the effect of these strategies on brand evaluation.*

EXTENDED ABSTRACT

Research Question

In order to control the detrimental effects of negative reviews and to even use it as an opportunity to gain customer goodwill concept of Webcare has been gaining acceptance in recent times. It is defined as “The act of engaging in online interactions with (complaining) consumers, by actively searching the web to address consumer feedback (e.g., questions, concerns and complaints)” (van Noort and Willemsen 2011). While most of the studies have looked at Webcare from a justice/ equity theory perspective, this study uses signaling theory and looks at Webcare as a signaling tool for quality inferences for prospective consumers of the brand.

This study focuses on following broad research questions:

1. Does Webcare act as a signal to consumers on a review site for brand evaluation?
2. How should Webcare efforts be optimized to influence consumer brand evaluation?
3. What factors can moderate Webcare efforts’ influence on consumer brand evaluation?

Summary of Findings

With advances in technology and always online lifestyle becoming the norm, the rate at which word of mouth spreads has increased exponentially and it will be suicidal for a brand to ignore reviews about itself. Consumers are increas-

ingly using other consumer’s opinions as a source of information to ease their purchase decision process so much so that they trust them more than reviews from experts (Henig-Thurau, Walsh, and Walsh 2003; Huang and Chen 2006; Ratchford, Talukdar, and Lee 2001).

In our study we explored how a brand’s evaluation is affected by their responses to consumer reviews. Two strategies were proposed – an Exhaustive and Selective Webcare strategy, where exhaustive implies that a brand responds to all the messages and selective implies that the brand responds selectively to either positive/ negative reviews only. With support from signaling theory we have established that an exhaustive Webcare strategy gives more favorable evaluations compared to a selective positive or selective negative strategy. But responding to all reviews might not be practical. So we identified three characteristics of review sets (review set balance, review set frame and responsiveness) that moderate the effect of these strategies on brand evaluation. A positively balanced and negatively balanced reviews sets distorts the signal positively and negatively respectively such that brand evaluations will be similar irrespective of strategy adopted if review set is positively balanced while positive selective would lead to inferior brand evaluations compared to exhaustive and negative selective strategy when review set is negatively balanced. Similar inferences are made for review frame. A prompt response does not add much to the brand evaluation when an exhaus-

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tive strategy or positive selective strategy is adopted, but promptness will enhance the effects on brand evaluation when a selective negative strategy is adopted.

Key Contributions

This study proposes to contribute in four ways. First, recognizing the social nature of online customer reviews, it attempts to explain Webcare efforts from signaling theory perspective which is argued to be more appropriate in

explaining the phenomenon. Second, it provides comprehensive framework of alternative Webcare strategies based on properties of signaling framework like signal frequency, observability and distortion. Third, it argues how selective vs. exhaustive Webcare strategies influence brand evaluations. And fourth, it proposes moderating effects of response time, review balance and review frame.

References are available on request.

Impact of Social Media Activity Quality on Brand Performance: A Longitudinal Analysis

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Keywords: *social media activity data, social media platform, firm performance, brand equity*

Description: *This study evaluates the impact of various social media activity qualities of selected social media platforms on brand performance for Fortune 500 firms.*

EXTENDED ABSTRACT

Research Question

While social media has received significant attention from researchers in many disciplines, most of the previous studies have either investigated determinants and consequences of adoption and usage of social media at the individual level or focused on the dynamics and interactions of social media's virtual communities at the group level. Little attention has been given to the adoption of social media and their impact on brand performance measured at the firm or organization level. Yet, the issues related to how social media are used for enhancing brand performance at the firm level are not well understood in the literature. Therefore, the focus of this study is to examine whether a firm's social media activity quality has a significant relationship with brand performance. This study identifies components of social media activity quality and investigates which social media activity qualities at the firm level influence brand market share change and brand equity change.

Method and Data

This research focuses on social media activity, brand market share, and brand equity of Fortune 500 firms. As the unit of analysis for this research was the firm, a stratified random sample of 300 firms were selected using the 2013 Fortune 500 list. Social media activity measures were collected and recorded from those identified firms' respective social media platforms during December of 2013 and 2014. Any social media activities that are publicly available on a firm's respec-

tive social media platforms were captured. They included important social media activity measures such as the number of likes, the number of followers and subscribers, the number of multimedia events posted and shared, and the number of tweets/re-tweets. Firm data from 2013 and 2014 were obtained from the COMPUSTAT database.

Summary of Findings

Two separate regression analyses were performed using brand market share change and brand equity change as dependent variables. The eleven social media activity measures were used as independent variables. The regression models for brand market share change and brand equity change are significant. For brand market share change, the Facebook-likes change, Facebook-talking change, Twitter-feeds change, YouTube-subscriber change, Instagram followers change, and Instagram pictures change are significant. For brand equity change, the Facebook-talking change, Twitter-followers change, YouTube-subscriber change, YouTube-views change, Instagram-pictures change, and Pinterest-followers change are significant.

The regression model for brand equity change with valence independent variables was significant. The neutral valence Twitter-followers change shows a significant effect on brand equity change. The positive, neutral, and negative valence of YouTube-subscriber change is related to brand equity change. The positive and negative valence of YouTube-

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views change is related to brand equity change. The negative valence of Instagram-pictures change is negatively related to brand equity change. The positive and neutral valence of Pinterest-followers change is related to brand equity change. These results show the importance of content communities activity in predicting brand equity change.

Key Contributions

This study develops and tests a research model capturing the relationship between social media activity quality and brand performance using longitudinal data. This study contributes to existing literature in the following ways. First, this research is one of the first empirical studies that looks at the social media activities at the firm or organizational level and examines their relationships with brand performance. Second, the significant effects of the three types of social media

platform activity changes on brand performance provide support for the contention that social capital theory can be extended to the online and social media platform settings. Third, the findings show which social media activity changes are related to brand market share change and brand equity change and also how firms can develop social media strategy and related tactics to improve their brand performance. Fourth, using secondary data, the relevant dimensions of social media activity quality and related measures are identified. Finally, this research provides change-to-change analysis results showing that various social media activity changes can predict brand performance. Thus, these results can be used as benchmarking values and provide a guide for managing social media activities.

References are available on request.

The Relationship Between the Newness of Released Products and the Volume of WOM in the Online Brand Community

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Keywords: *word of mouth, newness of product, redesigned model, totally new product, brand community, and rumor behavior*

Description: *This study investigates the relationship between the newness of product released by a firm and the volume of word of mouth between brand community members.*

EXTENDED ABSTRACT

Research Question

Is there any difference in volume of word of mouth in four different situations, namely prerelease of totally new products, prerelease of re-designed products, post-release of totally new products, and post-release of re-design products?

Method and Data

Data were collected from Toyota nation community through 1-year expansion. For analyzing data, we utilized the 2-way ANOVA.

Summary of Findings

2017 Toyota C-HR Thread

The period under the investigation ranges from 6/22/2016 (prerelease of the C-HR Toyota) to 07/19/2017 (post-release of the C-HR Toyota). The thread's name is "2017 Toyota C-HR." This forum was created before Toyota launched C-HR in the market. The thread was started on the day that Toyota company unveiled this model in an auto show. Members shifted their discussions from prediction to describing on 01/01/2017 (the release date from the community's point of view). Then, in order to figure out the relationship between the time and volume of WOM, we put ten days per group and gathered the number of posts for each group. The whole period for gathering data for C-HR Toyota was 510 days. Thus, we have 51 groups in this section of study. We utilized Excel to figure out the relationship between time and vol-

ume of WOM as a dependent variable in this situation (pre-release and post-release of redesign products).

Result for Totally New Product (C-HR model)

The result is shown in figure 2. The result shows that the WOM after the release of C-HR did not decrease as sharply as it did in the redesign model. Because the uncertainty about the product remained even after the release of the product, the amount of WOM increases again after the release and remains for a while. Furthermore, there is a huge amount of WOM at the start point of the thread, the exact date that Toyota unveiled the C-HR model in the auto show. Indeed, members were very excited and uncertain about the unveiled model.

Key Contributions

On the one hand, there are numerous articles about the relationship between the volume of WOM of a brand community and purchasing behavior of members (Chevalier and Mayzlin, 2006). On the other hand, we investigated the volume of WOM in two specific situations in releasing new products. Managers will be able to combine the results of this study and the results of previous studies about the relationship between WOM behavior and actual purchasing behavior and predict the purchasing behavior of customers who participate in different volume of WOM in various situations.

References are available on request.

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Store Accessibility and Multichannel Performance

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Keywords: *multichannel retailing, e-commerce, m-commerce, store accessibility, experience goods*

Description: *This research investigates different types of geographical variation in offline store accessibility on digital sales and the moderating role of prior channel stock.*

EXTENDED ABSTRACT

Research Question

This research aims to understand better the impact of offline store accessibility on digital channel performance based on the focal brand's offline stores as well as relative to competitor stores. Specifically, we decompose the offline store accessibility (hereafter, OSA) for a region into two dimensions: absolute store accessibility (hereafter, ASA) and relative store accessibility (hereafter, RSA). ASA shows the number of offline stores for the focal brand in a given region; RSA is operationalized by the ratio of the focal brand's stores to its competitors' in each region. ASA and RSA identify the differential effects of regional strength in that channels and examine the impacts of different types of dominance on the digital performance. We investigate the effects of OSA on digital performance (i.e., online and mobile channels) and the relationship between these alternatives. Specifically, we focus on the following three research questions. First, we inquire how the OSA impacts on digital performance (i.e., enduring effects of region-level channel attractiveness). Second, we deeply dig the interplay between digital SPS (i.e., sales performance stock, hereafter SPS) and their relationships. Third, we examine what insights derive from further understanding from the above two research questions offered in terms of digital channel strategy.

Method and Data

We collect data from a leading beauty product retailer. Our dataset contains weekly sales from three different channels:

online sites, a mobile app and offline stores for 17 weeks from October 2011 to January 2012 across all of the 250 regions in South Korea. Further, we collect offline store location data on the focal retailer's offline stores and competitor stores (i.e., top four competing brands) for comparing spatial distribution across regions. Lastly, we obtain the 2010 census data from the Korean Census Bureau, which includes information about regional characteristics to control market potential and geo-demographics. We implement a seemingly unrelated regression (SUR) model to account for potential simultaneity and endogeneity biases in multichannel performance. We include a system of three equations for online, mobile, and offline performance in each region and every week. While our focus is on digital channel performance, we include the equation for offline sales as a control function in the multichannel context.

Summary of Findings

Our analysis shows the substantial findings as follow. First, the estimate of ASA are significant and positive in both the online and mobile performance; meanwhile, the effect of RSA is significantly negative only in the online performance. This demonstrates that having more focal offline stores in a region generally increases both digital sales. In a relatively strategic region, however, offline and online performance cannibalize each other. Second, the positive effect of ASA on digital performance is weakened by digital SPS. This result indicates, as consumers gain more digital shop-

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ping experience, OSA may thus become less attractive, reducing the positive effect of ASA on both digital performances. Third, we confirm that the SPS of each channel is positively associated within-channel performance. As the online SPS increases in a region, mobile performance in the same region increases as well, and vice versa. This suggests the complementary relationship between two. Furthermore, both have a different relationship with the offline; while the online substitutes for the offline, the mobile complements it.

Key Contributions

This research contributes to crucial implications for academia and practitioners. First, this research extends our understanding of the relationship between multiple channels in beauty industry not only by considering different types of store accessibility but also by comparing the asymmetric effects of different channels. We also add a crucial element in understanding within and cross-channel synergies; that is, identify-

ing the effect of digital stock on current digital channel performance. Second, multichannel managers can also improve performance by incorporating regional information and specific targeting strategies across channels to create multichannel synergies. The results suggest that retailers should not neglect the marketing management of offline store to improve the digital sales. Also, we analyze the relationship between those three channels using sales data, providing a better understanding of consumers' multichannel shopping behaviors simultaneously in a single modeling framework. Third, we offer insights into a multichannel retailer's digital marketing strategy across regions with effective resource allocation. In other words, the more effective marketing strategy for companies is to engage in detailed marketing activities that target a wider range of consumers by understanding their region-level behavior patterns.

References are available on request.

Financial Consumption Behavior Among Vulnerable Consumers: Case of Pacific Island Young Adults in New Zealand

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Keywords: *financial literacy, Pacific Islanders, social marketing, hermeneutic phenomenology*

Description: *This study attempts to understand the attitudes of young Pacific Island adults towards debt and money and explore the underlying themes in the financial consumption among young Pacific Island adults.*

EXTENDED ABSTRACT

Research Question

Being the fourth largest ethnic group in New Zealand, after European, Maori, and Asian Ethnic group, Pacific population is predominately young. Nearly half of the population (46.1%) were under 20 years old in 2013 compared to 27.4% of total New Zealand population (Pasefika, 2016). Despite the growing numbers of this ethnic group, report generated by Families Commission (2012) on Pacific Island families and problem debt reveals worrying outcomes regarding their financial services consumption. Particularly, young adults are often debt-ridden and/or fail to plan for their future due to the lack of financial knowledge (Lusardi, Mitchell and Curto, 2010; Mandell and Klein, 2007). In this paper, we attempt to understand the attitudes of young Pacific Island adults towards debt and money and explore the underlying themes in the financial consumption among young Pacific Island adults.

Method and Data

The exploratory and discovery orientation of this study dictated the use of hermeneutic phenomenology (Thompson, Pallio and Locander, 1994) which enabled us to gain significant insights into the lived experiences, thought processes, values and aspirations of young Pacific Island adults with regards to their consumption of financial products. Specifically, we explored the subjective meanings of financial con-

sumption through lengthy and repeated interviews that focused on the subjects' experiences and attitudes towards money and debt. Bringing light to the details of the lived experiences enabled us to identify the common themes and the underlying factors of the phenomenon.

We employed convenience sampling and all participants were aged between 20 to 24 years old. Interviews were conducted in three stages: in the first stage, information about the participants and how they define money and their general views towards debt at broad level was obtained. In the second stage, participants shared their stories about their feelings, experiences, lifestyles, spending and consumption patterns. In the final stage, participants assessed and reflected upon their experiences. Data was analyzed inductively and thematic analysis was used to identify the emergent themes.

Summary of Findings

Through the iterative analysis of the data, a comprehensive understanding of the Pacific Island participants and their experiences surrounding financial services were unveiled. The following three themes emerged as the prominent patterns throughout the interviews: the liabilities of financial knowledge; the power of money and the danger of financial providers. Our findings indicate that cultural expectations

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and family responsibilities have strong presence in the participants' lives, and that these factors may have an influence on their financial consumption. While the participants held pride in their Pacific culture and background, they also struggled with the conflicts between their Pacific cultures and the New Zealand culture while growing up as Pacific Islanders. In general, participants viewed the act of borrowing and lending money to family and friends as creating discomfort and regarded as disrespectful. Nevertheless, many participants felt at ease and comfortable with borrowing from external sources such as government and financial service providers. This is mainly due to the dominance of financial service providers who target vulnerable groups such as Pacific Islanders with tailored advertisements.

Key Contributions

Departing from past research that focused on credit cards issues (e.g., Borden, Lee, Serido and Collins, 2008; Robb

and Sharpe, 2009; Robb and James, 2009), this study explored a broader scope of financial issues including financial literacy, money, debt and attitudes towards financial services providers. Our findings contributed to the identification of some core issues that underlie the development of financial literacy as well as the financial consumption among young Pacific Island adults. For instance, culture was identified in our study as an influential factor in shaping the participants' attitudes and financial consumption behavior. This is an important insight that social marketers should be aware of and be prepared to address when developing their financial education programs or any other behavioral change interventions.

References are available on request.

Informal Business Entrepreneurs' Mobile Marketing Acceptance: An Expectation Confirmation Theory Perspective

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ABSTRACT

There has been little conceptual frameworks developed on how scholars in the mobile marketing arena should measure mobile marketing acceptance in small businesses' entrepreneurs operating in the informal economies to drive sustainability and customer retention. The results reveal that perceived behavioral control and usability are antecedents of mobile marketing acceptance.

Keywords: *behavioral control, responsiveness, usability, mobile marketing acceptance, informal economy*

Description: *An investigation of the antecedents of mobile marketing acceptance using the Expectation Confirmation Model (ECM) as a theoretical landscape in informal businesses.*

Introduction

The informal economy comprises of informal and unregulated micro-enterprises that is said to provide employment to approximately 2.4 million people, which is 13% of the labor force and could assist in addressing some of South Africa's fundamental challenges of creating employment and activate economic growth in disregarded areas (Charman, Petersen, Piper, Liedeman and Legg, 2017). Given the challenges faced by this sector, such as limited resources, for example, limited budget to invest in marketing collateral, mobile marketing can be a platform that presents these micro-enterprises with an opportunity to market and advertise their businesses in a cost effective way. Mobile marketing does not only serve as a communication tool between customers and service providers, however, it is a strategic customer retention tool that assists in facilitating the service delivery process, and in turn drive satisfaction. Thus, helping to increase consumer loyalty, as consumers perceive mobile marketing as a platform to interact with the service provider (Pourpakchashm, 2015). As echoed by the Mobile Marketing Association (2015), mobile marketing has the command to stimulate and enable good customer experience. Therefore, mobile marketing can be used as a tool to create a long-term relationship with customers (Pourpakchashm, 2015).

Despite these promising opportunities and growth forecasts, mobile marketing acceptance literature has received little

attention in the informal economy. However, there has been a significant number of research examining the influence of mobile marketing acceptance amongst consumers (Gao, Rohm, Sultan and Pagani, 2013), but rarely from the business owner's point of view. Given the lack of previous empirical research on this subject matter, this study proposes the Expectation Confirmation Model (ECM) to investigate the antecedents of mobile marketing acceptance by entrepreneurs in the informal economy.

Literature Review

Hypotheses and Conceptual Framework

The theoretical foundation for this study is the Expectation Confirmation Model (ECM), which hypothesizes that a person's usage behavior is a series of verification, experience, acceptance and continued usage process (Liao, Palvia & Chen, 2009). Furthermore, Kim (2010) suggests that in ECM the satisfaction of the user together with the information system usage are critical factors in shaping the continuance acceptance of the information system. According to Liao *et al.* (2009), external factors such as system design characteristics, as depicted in this study, variables such as perceived behavioral control, perceived responsiveness and perceived usability influence the user to believe in using a mobile device will bring certain outcomes. For example, the continued acceptance of mobile marketing. Moreover, the

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user's outcome expectations, such as being able to control the mobile device, its ability to be responsive and ease of use will lead to a positive or negative emotional state about the usage of the mobile device system and as postulated by Liao et al. (2010); in turn influence the user's actual acceptance. Based on this theory, this study proposes a conceptual framework that hypothesizes that perceived behavioral control; responsiveness and usability have a direct positive influence on mobile marketing acceptance.

Perceived Behavioral Control and Mobile Marketing Acceptance

One clarification is that perceived control has a positive relationship with readiness, accessibility and connectedness, which enriches the user's capability to complete a task confidently (Kiat, Samadi, and Hakimian, 2017; Shin 2009). According to Kiat, *et al.* (2017), the likeliness of a mobile device user to accept M-commerce services is high when they have a high level of awareness and knowledge of M-commerce. Therefore, this study hypothesizes that:

H1: Perceived behavioral control has a positive effect on mobile marketing acceptance

Perceived Behavioral Control and Perceived Usability

Perceived behavioral control according to Park, Baek, Ohm and Chang (2014) has been associated with user flow state, and the possible methods to understand flow state is to consider it as a specific function of control which is deeply connected with the user's perceptions and activities. Additionally, perceived behavioral control has been found to significantly stimulate the perception of ease of use (Lee, Moon, Kim, and Mun, 2015; Mun, Jackson, Park Probst, 2006). Thus, it is hypothesized that:

H2: Perceived behavioral control has a positive influence on perceived usability

Perceived Responsiveness and Perceived Usability

Responsiveness communicates to the ability of a mobile device to respond speedily to requests for support (Zeithaml, Parasuraman, and Malhotra 2000). In addition, according to Lee *et al.* (2015), perceived responsiveness of a mobile device has a positive effect on user perceived usability. Thus, in agreement with the reviewed literature this study hypothesizes that:

H3: Perceived responsiveness has a positive effect on mobile device usability

Perceived Usability and Mobile Marketing Acceptance

Perceived usability is related not only to the user's acceptance of the interface's fundamental system through interces-

sion, but also includes user satisfaction (Oliveira, Cherubini and Oliver, 2013). Acton, Golden, Gudea and Scott (2004) state that usability influences the intention to accept or adopt a system based on user attitudes, perceptions and intents towards features of the interface. Thus, drawing from the literature above, it is hypothesized that:

H4: Perceived usability has a positive effect on mobile marketing acceptance

Research Methodology

Research data were collected from small businesses trading in the informal sector in Johannesburg. The research sampling frame was informal hair-care businesses in the east of Johannesburg and the Johannesburg CBD. The study utilized convenience sampling and a sample of 312 hair-care business entrepreneurs in the informal sector were taken. The justification for convenience sampling is that given the nature of these small businesses, a database is not available in order to draw participants; therefore, the researcher had to conveniently locate these businesses.

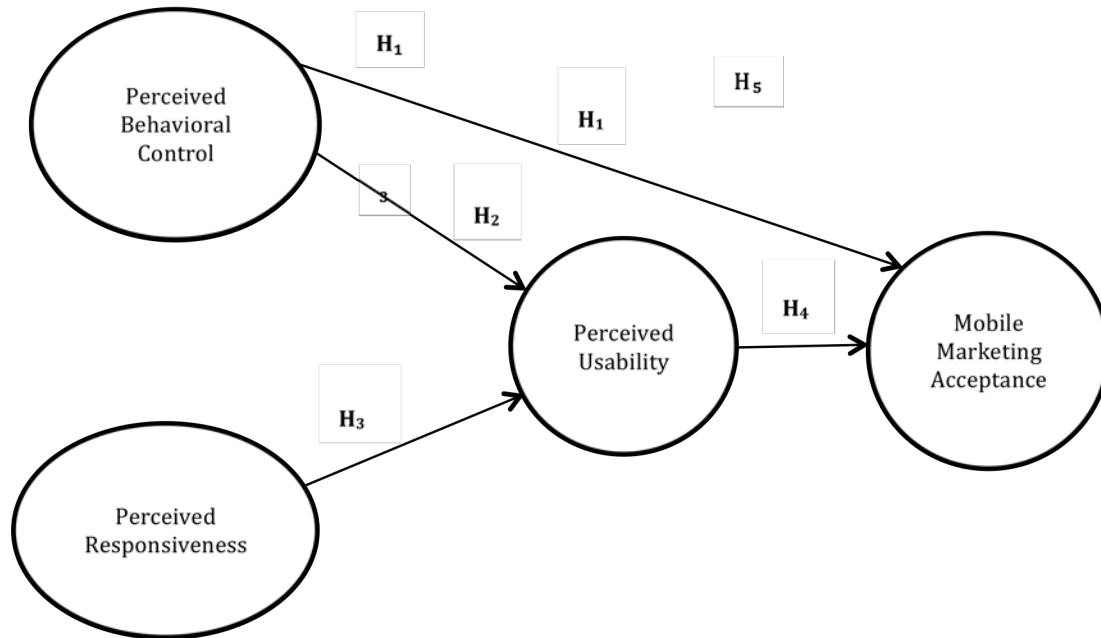
Research scales were operationalized mainly on the basis of previous works. Items to measure perceived behavioral control, perceived responsiveness and perceived usability were adapted from Lee *et al.* (2015). Lastly, mobile marketing acceptance was measured using items adapted from Sultan, Rohm and Gao (2009). All the measurement items were measured on a 7-point Likert-type scales ranging from 1 = strongly disagree to 7 = strongly agree.

Data Analysis and Results

Descriptive analysis of the data was conducted using the Statistical Package for Social Sciences (SPSS) version 25. The demographic profile and characteristics of the respondents were predominantly females (61%), while male respondents were (39%). The average age category of the respondents was 26 - 35 years (60%). Approximately, (50%) of respondents had high school education, while about (28%) had neither high school nor university education. 12% of the respondents had diplomas, about 9% had degrees and remainder (1%) had a postgraduate degree. Approximately (67%) of respondents were self-employed, (32%) were employed.

Structural Equation Modeling (SEM) was executed to assess the study's conceptualized research model. Structural modeling was undertaken to examine causal relationships, using AMOS 25 for path analysis. In accordance with the two-step procedure suggested by Anderson and Gerbing (1988), prior to testing the hypotheses, confirmatory factor analysis (CFA) was performed to examine convergent validity. Convergent validity was estimated using standardized factor loadings and average variance extracted (AVE), which were all above the recommended threshold of 0.6 (Pontes and

Figure 1. Conceptual Model



Griffiths, 2015). To test for reliability, the Cronbach's alpha (α) values were as follows, PBC (0.92), PRS (0.86), PU (0.94), and MMA (0.77), which are also above the recommended threshold of 0.6. Recommended statistics for the final overall model assessment show acceptable fit of the measurement model to the data (Pontes and Griffiths, 2015): chi-square value over degrees = 196.381 (77), CMIN/DF = 2.550; GFI = 0.92; AGFI = 0.88; IFI = 0.97; TLI = 0.96; CFI = 0.97; RMSEA = 0.07.

PBC is positively correlated with MMA ($\beta = 0.59$; $p = 0.01$), suggesting a strong relationship between the two variables. PBC is also positively associated with PU ($\beta = 0.24$; $p = 0.01$). Results also indicate that the relationship between PU and MMA is significant and supported ($\beta = 0.41$; $p = 0.01$). Thus, H1, H2 and H4 are significant and supported. The Expectation Confirmation Model (ECM), states that in order for the users to be able to accept mobile marketing, the user's outcome expectations, such as being able to control the mobile device and its usability, will influence a positive or negative emotional state, which is determined by the usage of the mobile device system (Liao *et al.*, 2010). This study has found the informal business entrepreneurs' outcome expectations to be positive. Being able to control the mobile device, the entrepreneurs find it easy to engage with it, thus accept mobile marketing. However, results show that the effect of perceived responsiveness on mobile device usability was not supported ($\beta = 0.04$; $p = 0.71$). The testing

of H3 elicited results that are not in line with the recommended threshold, making the relationship non-significant. This negative relationship presents an opportunity for future research, where a mediating role of a construct can be explored to test the significance of the relationship.

Discussion and Implications

The findings of this study provide support that perceived behavioral control and perceived usability are essential and should be recognized as predecessors of mobile marketing acceptance within the informal business sector. The main contribution is that this study expands on existing theory, which is the Expectation Confirmation Model (ECM) by identifying two additional constructs (perceived behavioral control and perceived usability) that should be considered in the model. Mobile devices are a point of communication between customers and service providers in ensuring customer satisfaction during the service delivery process, therefore this study has proven that these entrepreneurs are willing to exploit mobile marketing as a communication and advertising strategy to attract and retain customers. Furthermore, the conceptual framework suggested by this study presents a platform for the sustainability of the businesses trading in the informal sector. Likewise, the proposed conceptual framework can also serve as a strategic tool that government officials who are responsible in drafting small businesses policies can implement this model by partnering with mobile device service providers. These service providers will ensure that a mobile

Table 1. Hypothesis Test Results

Hypothesized Relationships	Hypotheses	Path Coefficients (β)	P-values	Outcome
PBC→MMA	H ₁	0.59	***	Supported and significant
PBC→PU	H ₂	0.24	***	Supported and significant
PRS→PU	H ₃	0.04	0.71	Not supported
MDU→MMA	H ₄	0.41	***	Supported and significant

Significant @ * = 0.001; ** = 0.05; *** = 0.01

device's system design characteristics (control and usability) are designed to minimize disturbance of the informal business entrepreneur's daily work routine, particularly those that operate in the hair-care service. This will influence the acceptance of mobile marketing, as indicated by the theory underpinning this study and the proposed study model.

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Content Marketing: Toward Implementing an Evolving Communication Discipline

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Keywords: *content marketing, communication discipline, higher-order resource, implementation*

EXTENDED ABSTRACT

Research Questions

The marketing landscape has changed in the digital age. As the MSI recently pointed out, “rather than telling consumers what to attend to and feeding them marketing messages, managers must inspire curiosity about their offerings so that consumers actually want to learn about and interact with their products and brands” (MSI 2016, p. 7). To meet this new demand, marketing and communication managers have begun viewing content marketing (CM) as one of the most promising approaches in the digital age. Astonishingly, there is a lack of research that helps companies to implement CM considering their specific situation based on a solid theoretical fundament. Against this background the study at hand tries to answer the following questions: (1) What is CM? (2) How can CM be implemented? (3) Which contingency factors must be taken into account?

Method and Data

To answer our research questions, we used a discovery oriented, grounded theory procedure in which we interviewed numerous experts on CM approaches, organizational aspects, challenges, success factors, anecdotes, and opinions. All interviews were audiotaped and transcribed verbatim. In line with Strauss and Corbin (1998), we applied the scheme of open, axial, and selective coding to analyze our

data. For data triangulation, field data were constantly compared with existing CM research streams.

Summary of Findings

Practitioners increasingly consider CM as one of the most promising communication disciplines. However, many of them struggle with the implementation of their content strategy. The study at hand addresses this problem based on a grounded research procedure. It introduces CM as a higher-order resource and discloses several CM patterns. The understanding of CM as a higher-order resource and the distinct patterns provide practitioners immediate guidance and important lessons on how to implement CM across the firm.

Key Contributions

Our study makes at least three contributions: Firstly, it tackles a neglected research topic of high practical relevance: To the best of our knowledge it is the first that theoretically underpins CM. Secondly, it identifies and structures several important CM resources. Consequently, it enhances our understanding of CM in general. Thirdly, our study shows that CM is a matter of firm-wide deployment, requiring practitioners to take a broad and firm-specific set of resources into consideration when implementing CM.

References are available on request.

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Combining Visual and Textual User-Generated Content to Capture Brand Perceptions

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Keywords: *user-generated content, image recognition, brand associative network, social tag, Instagram*

Description: *This paper presents a two-step approach to capturing consumers' perceptions about a brand in heterogeneous contexts, identified through image, text, and social tagging data collected from the Instagram social network.*

EXTENDED ABSTRACT

Research Question

Previous studies in marketing research have concentrated on deriving brand information from user-generated textual content and have largely not considered user-generated images. An analysis of brand-related images yields at least two challenges. First, the content displayed in images is heterogeneous, and second, images show little of what users think and feel in or about the situations displayed. To meet these challenges, this paper presents an approach that involves collecting, labeling, clustering, aggregating, mapping, and analyzing brand-related user-generated content. By integrating the complementary information derived from these types of data, a more comprehensive analysis of brand-related user-generated content could be conducted.

Method and Data

Data were collected from Instagram, which, with 800 million monthly users, ranks among the more popular social networking services. The service is especially favored among younger users, and its volume of brand interactions exceeds that of all other social networks. Collected data included 10,375 images related to the brand McDonald's (i.e., images marked with #mcdonalds) as well as their caption texts and social tags. Image data labeling was done via Google Cloud Vision API, which is a powerful deep learning approach for image recognition. Clustering the labeled

image data resulted in clusters that differed, among other aspects, in terms of their contents (i.e., actual entities displayed in the image) and contexts (i.e., situational circumstances in which content is created). Sentiments extracted from caption texts and social tagging data were aggregated and mapped in the form of associative networks for each image cluster to investigate what consumers in different contexts actually think and feel about brands.

Summary of Findings

The empirical analysis showed that clustering image data according to labels extracted by Google Cloud Vision API works well and leads to widely homogeneous image clusters. The resulting cluster solution indicates that brand-related images shared on Instagram can be divided into their content and context, and that they differ, among other respects, in their brand centrality. In addition to the image data, clusters' text and tagging data are considered and analyzed. The associative networks reveal that clusters vary in the form of their tags, which can be allocated to categories, products, subjective and objective product attributes, Instagram-specific terms, artistic or trending topics, and Internet phenomena. Clusters further vary in terms of their sentiments. Moreover, the visualization discloses that the networks represent the contents of images, confirming that tags indeed describe the contents of

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images fairly well. As on first glance the networks reveal information (i.e., tags) that would have remained hidden by considering the images exclusively, the networks strongly complement the image clusters. Especially attributes such as delicious, tasty, or yummy, as well as the sentiments of the product-related tags, complement images of a brand's products and express consumers' corresponding evaluations.

Key Contributions

Clustering Instagram's posts according to images yielded three benefits: First, an overview of what users share in their images was provided. Second, posts could be allocated to specific contexts; and third, a more differentiated view of a brand's perception could be obtained. To gain an understanding of users' perceptions, text and social tags were investigated in addition to images. The underlying text com-

plements social tags and indicates the user's sentiment connected with the tags. Visualization in the form of associative networks enables the comparison of different clusters in terms of their tags, connections between tags, and underlying sentiment and helps managers to extract multifarious insights about their brands and products.

From a methodological perspective, the presented approach further improves the marketing perspective on image clustering and explains how Google Cloud Vision API can be utilized. While social tags commonly follow a long-tailed distribution, with only few tags occurring frequently, clustering image data helps to identify tags that are important for a specific cluster but would not appear frequently if the data were considered as a whole.

References are available on request.

Path to Effective Mobile Advertising in Asian Markets: Credibility, Entertainment, and Peer Influence

Ying Wang, Youngstown State University

Keywords: *mobile advertising, culture, Asia, incentive, attitude*

Description: *This research proposes and tests an integrated model of mobile advertising taking into consideration of the unique characteristics of Asian consumers.*

EXTENDED ABSTRACT

Research Question

This research is designed to investigate mobile advertising in two important Asian markets including China and South Korea. The Technology Acceptance Model (TAM) proposes that perceived usefulness (i.e., perceived informational usefulness, perceived entertainment usefulness, and perceived social usefulness) and perceived ease of use are the main factors influencing individuals' attitudes and further intention to use new technologies. Both the Theory of Reasoned Action and TAM also propose a positive relationship between attitudes and consumer behavioral intention. In addition, previous studies have also identified that credibility and irritation are relevant predictors in the mobile advertising context. Therefore we propose the following hypotheses:

H1a: The perceived informational usefulness positively affects ATMA.

H1b: The perceived entertainment usefulness positively affects ATMA.

H1c: The perceived social usefulness positively affects ATMA.

H1d: The perceived ease of use positively affects ATMA.

H1e: Credibility positively affects ATMA.

H1f: Irritation negatively affects ATMA.

H2: ATMA positively affects consumers' intention to use mobile advertising.

H3: Consumers' intention to use mobile advertising positively affects their behavior responses.

In addition to beliefs and attitudes, past literature has identified other factors including incentive, subjective norm, and privacy concerns as the crucial factors significantly influencing people's intention to use mobile advertising. Thus, we propose

H4: Incentive positively affects consumers' intention to use mobile advertising.

H5: Subjective norm positively affects consumers' intention to use mobile advertising.

H6: Privacy concerns negatively affects consumers' intention to use mobile advertising.

It would be interesting to see to what extent the relationships proposed in the research model differ by the two Asian markets. Given the limited research on this subject, instead of specific hypotheses, the following research question is asked to guide the study:

RQ1: To what extent do China and South Korea differ in influencing factors, intention to use mobile advertising and consumers' response to mobile advertising?

Method and Data

To test the proposed hypotheses and explore the research question, a questionnaire was developed. Data were collected from mobile users in China and South Korea. Overall, 400 questionnaires were distributed in each country with 395 collected in China and 296 collected in South Korea. Among them, 388 questionnaires among Chinese sample

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and 287 questionnaires in South Korea were valid with no missing or ill-filled data and used for further statistical analyses.

The questionnaire includes instruments measuring major constructs in the study including perceived information usefulness, perceived entertainment usefulness, perceived social usefulness, perceived ease of use, credibility, irritation, ATMA, incentive, privacy concerns, subjective norm, intention to use mobile advertising, and consumers' behavioral responses. Responses were measured on a 7-point Likert scale ranging from strongly disagree (1) to strongly agree (7).

Path model analyses were conducted with AMOS 25.0 to test the proposed model for the Chinese and South Korean sample respectively. Based on the results of model fit, we then compared results from two models to identify similarities and differences between the two samples.

Summary of Findings

Our results show that perceived information usefulness, perceived entertainment usefulness, perceived ease of use, credibility and irritation are significant in both samples. Therefore, H1a, H1b, H1d, H1e and H1f are supported. However, perceived social usefulness is significant for the Chinese sample but not significant for the South Korean sample. Furthermore, the AMOS results show significant relationship between attitude and intention to use mobile ads and between intention to use and subsequent behavioral responses in both samples. Hence, H2 and H3 are supported.

Our data shows that incentive is a significant positive predictor for attitudes toward mobile advertising among Chinese mobile users but not among South Koreans. Thus, H4 is partially supported; Subjective norm and privacy concerns are significant predictors of intention to use mobile advertising in both samples. Hence, H5 and H6 are supported.

Our data reveal that two countries share much similarity in consumers' beliefs about and attitudes towards mobile advertising. However, there are also differences between two Asian cultures in terms of significance of the variables as well as the strength of the effects of the variables.

Key Contributions

As expected, China and South Korea demonstrate more similarities than differences given the close ties between the two cultures. This research provides evidences supporting the notion that similar cultures yield similar beliefs and attitude towards mobile advertising especially among young consumers given the ubiquitous influence of digital and mobile communications and universal appeals.

This research also offers theoretical contributions to the advertising effectiveness literature by taking the uniqueness of the mobile into consideration when examining the relationships among beliefs, attitudes and consumer behavioral responses. As such, this research deepens the understanding of the TRA and TAM theories and broadens their applications to the mobile environment. Furthermore, this study supported previous studies in the sense that these theories can be successfully applied and validated in Asian cultures as well.

Practically, this research is meaningful for global businesses and organizations that seek to reach and influence consumers with via mobile devices. Mobile is a young and fast-growing advertising form and has potentials to become a powerful promotional tool if used in the right way. This study focuses on identifying the unique key factors influencing the effectiveness of mobile advertising among Asian consumers. Therefore, it offers much needed insights for marketers to target this market.

References are available on request.

Consumer Brand Engagement with Social Media-Based Luxury Brands

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Matthew Gorton, Newcastle University

Keywords: *luxury brand communities, social media, socio-cultural, engagement*

Description: *The paper explores the levers of consumers' engagement with luxury brands on social media.*

EXTENDED ABSTRACT

What are the antecedents of consumers' engagement with luxury brands on social networking websites?

According to McKinsey (2014), 40% of all luxury goods purchase decisions are influenced by what consumers see and hear online. Social media have created an opportunity for luxury brand manager to can develop closer relationships with their customers. Using social media also adds extra credibility to marketing at a time when consumers are increasingly skeptical about traditional advertising, the message of an engaged consumer's is more persuasive in twenty-two times than the marketer's message (Goh et al., 2013).

Social media is a marketing channel that luxury brands are increasingly using to promote their products (Phan et al., 2011). According to PMX Agency (2016), there has been a 27% increase in luxury brands' followers on social media (specifically Instagram, Facebook and Twitter) since 2016. The concept of engagement and consumer brand engagement have received considerable attention in marketing literature (Harmeling et al., 2017; Baldus et al., 2015; Hollebeek et al., 2014). Luxury brands use social media to transfer the novel values they create (Dhaoui, 2014), it is not clear what drive consumers to engage with luxury brands on social media sites.

Research Methodology

A suitable methodology to explore motivations that lead consumers to engage with luxury brand on social networking websites is to conduct a qualitative study. A semi-structured

interview is chosen; the semi-structured interview is well-designed for research on motives, attitudes, values, beliefs, and experiences (Richardson et al., 1965).

The interview guide was pilot tested with four consumers and followers of luxury brands aged 25-35 coming from different nationalities and located in the UK. Following the pilot test, the purposive sampling method was adopted to recruit the participants, two pre-conditions were required to select the participants: (1) they have purchased (an) item(s) from luxury brands in the past six months, and (2) they are following luxury brands on social networking websites. Young consumers are the fastest-growing segment of luxury brand buying (Halpert, 2012; Choi et al., 2016). We stopped the sampling process when no new insights were added from the data. A total of 25 interviews were conducted.

The semi-structured interviews lasted between 45 minutes to 1 hour and were recorded digitally, all the interviews were in English language, and transcribed verbatim. For data analysis, open coding and axial coding were used (Strauss and Corbin, 1990). Two marketing researchers examined the codes produced to assess the credibility.

Summary of Findings

In contrast to existing and previous engagement studies, the findings reveal various factors that can be beneficial to luxury branding literatures to explain how consumers engage with luxury brands on social networking websites, the study shows two brand-related factors: Brand Experience, Brand Love; one socio-cultural factor: maintain and save face; two

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self-concept factors: actual self-congruity and ideal self-congruity; and one gratification factor: up-to-date information.

Theoretical and Practical Contributions

Our research is the first to explore the antecedent of consumer's engagement with luxury brands on social networking websites which makes it a new perspective on the theory of consumer brand engagement. Our work extends the model of Hollebeek et al. (2014) into the luxury social media setting. We found that consumers' engagement with luxury brands on social networking websites are influenced by a mix of factors. The study answers Hollebeek et al.'s (2016) call to shed the light over the motivations of customer engagement in a service system (social media in this study).

These findings are important and insightful for luxury brand managers who are responsible for managing their brands on social networking websites. The results gained through this study can help guide luxury brand managers in three ways. First, luxury brands managers are recommended to keep updating the social networking pages, need to place a stronger emphasis on the type of information they post. Second, the results insist the strong relationship between the social networking life and reality that consumers relate their engagement with the brands based on their experience and love. Finally, luxury brands managers are advised to place substantial effort on the personalities of the brands they manage.

References are available on request.

Modeling the Impact of Personal Factors in Social Media Adoption by B2B Salespeople

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Keywords: *B2B, sales people, social media, adoption, personal factors*

EXTENDED ABSTRACT

The present study explores the adoption of social media by B2B sales people in the context of India, wherein the personal factors at sales person's level are enquired about; Whether or not various personal factors viz. are affecting one's perceived ease of use and perceived usefulness and further one's intention to use social media. The study utilizes the interaction psychology model (Terborg, 1981) and the extended technology acceptance model (TAM) (Venkatesh and Davis, 2000). The various hypotheses formulated are as follows:

H1a: Social media competence → perceived ease of use of social media.

H1b: Social media competence → perceived usefulness of social media.

H2a: Sales capabilities → perceived ease of use of social media.

H2b: Sales capabilities → perceived usefulness of social media.

H3a: Perceived image of other social media users → perceived usefulness of social media

H3b: Perceived result demonstrability → perceived usefulness of social media.

H3c: Subjective norm → perceived usefulness of social media.

H4a: Perceived ease of use of social media → perceived usefulness of social media.

H4b: Perceived ease of use of social media → intention to use social media.

H4c: Perceived usefulness of social media → intention to use social media.

Method and Data Used

A self-administered questionnaire based survey was planned and executed online as well as offline. B2B sales people were identified as the unit of analysis and around 108 respondents working as sales person in Indian B2B companies were pooled in using purposive sampling. The sample comprised of working individuals from the executive level to the functional head of sales in manufacturing as well as service firms and with the B2B sales experience ranging from 2 years to above 20 years. The questionnaire used for data collection, was a structured one with multi-item constructs adapted from past studies. Constructs were found valid and reliable as the factor loading (> 0.50), average variance extracted (> 0.50), and composite reliability (> 0.60), were higher than the recommended value. Structure equation modeling (SEM) was further carried out to test the hypotheses.

Key Contributions

This study is first of its kind which explores and establishes the role of personal factors in social media adoption among B2B sales people in the context of emerging countries like India. It also investigates the relationship between B2B sales persons' social media competence, their sales capabilities, their perceived usefulness of social media and intention to

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use the same. It enables firms to understand various factors affecting sales people's perception towards social media and to make them appreciate its usage in improving sales performance and customer satisfaction. It thus provides a valuable addition to the existing literature on Sales and Social Media.

Summary of Findings

The first iteration of SEM suggested that sales person's sales capabilities (*SCap*) have no impact on perceived usefulness (*PU_SM*) and perceived ease of use of social media (*PEU_SM*) while social media competence (*SMC*) was found to have impact on *PU_SM* but not on *PEU_SM*. Also, *PEU_SM* had no impact on *PU_SM* and on intention to use (*IU_SM*).

In the second iteration, we removed construct of *SCap* as the antecedent of *PEU_SM* & *IU_SM* and used *SMC* as mediator between *PU_SM* and *IU_SM*. We used *SCap* as direct antecedent of *SMC*. We found significant impact of *PU_SM* ($b = 0.446, p < 0.01$) on *SMC* and of *SMC* ($b = 0.680, p < 0.01$) on *IU_SM*.

Also, the impact of *PI_U* (Perceived image of other social media users) ($b = 0.263, p < 0.01$), *PRD* (Perceived result demonstrability) ($b = 0.303, p < 0.01$) and *SN* (Subjective norms) ($b = 0.479, p < 0.01$) on *PU_SM* got strengthened with removal of *SCap*. It might be the case wherein *SCap* moderates the said relationship. Further, *SCap* ($b = 0.588, p < 0.01$) had a strong impact on *SMC*.

Interestingly, our study didn't find any relationship between *PEU_SM* and *PU_SM*.

Overall, our study found that there is a strong impact of sales person's sales capabilities and perceived usefulness of social media on their social media competence, which implies that when sales people perceive social media as a useful tool, they tend to invest their time, money and resources to acquire competence which further drives them to use social media.

References are available on request.

How Social Spatial Imagery Influences Xenocentrism and Word-of-Mouth? Analyzing the Moderating Role of Culture in Online Social Networks

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Keywords: *social spatial imagery, xenocentrism, word-of-mouth, group culture, social media*

Description: *In a sample comprising of global cross-cultural teams of 1,240 participants from developed countries (e.g., United States and Italy) versus 1,176 participants from emerging economies (e.g., China, India, Colombia, Brazil, and Malaysia), the current research demonstrates how high social spatial imagery (SSI) enhances xenocentrism amongst users in global virtual teams (GVTs), and this further increases negative electronic word-of-mouth (eWOM) shared in social media networked environments.*

EXTENDED ABSTRACT

Research Question

How does social spatial imagery (SSI) enhance xenocentrism amongst users in global virtual teams (GVTs), and how increased SSI impacts negative electronic word-of-mouth (eWOM) shared in social media networked environments? The authors provide evidence suggesting that group culture moderates the relationship between SSI and WOM, which further impacts project outcomes. Low power distance, individualist and masculine cultures exert strong and positive relationships between xenocentrism and negative eWOM, thus enhancing overall project performance. In contrast, high power distance, collectivist, and feminine cultures exert positive relationships between xenocentrism and positive eWOM, thus enhancing overall project outcomes.

Method and Data

Global virtual teams (GVTs) are globally and culturally dispersed work groups in organizations that operate in technology-mediated (generally, electronic and social media supported) environments representing varied cultures, languages, and nuanced by communication complexities leading to achievement or relinquishment of desired and shared goals (Mattarelli et al. 2017; Jimenez et al. 2017; Wageman,

Gardner, and Mortensen 2012). We conceptualize ‘social spatial imagery (SSI)’ as the combination of ‘spatial psychological presence’ and ‘mental imagery’ in social media (Derks, Oetsch, and Walker 2014). To conduct the multi-group analysis using power distance, uncertainty avoidance, masculinity, and collectivism as moderators, the sample of global virtual teams was split into two groups. The first group consisted of GVT members from developed countries of the United States and Italy; and the second group consisted of GVTs from emerging countries of Brazil, China, Colombia, India and Malaysia. This resulted in groups of 1,240 developed and 1,176 emerging countries sub-sample sizes. We analyzed the data using partial least squares (PLS) following a two-step process. The first step involved assessing the measurement model to evaluate the consistency, reliability, and validity of the measures. The second step assesses the structural model to evaluate the significance and strength of the path coefficients between variables.

Summary of Findings

We received some interesting results. We utilized multi-group analyses and divided our sample into developed economies (comprising of 1,240 participants from the

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United States and Italy) and emerging economies (comprising of 1,176 participants from China, India, Colombia, Brazil, and Malaysia). We found that high levels of SSI result into high levels of perceived inferiority and social aggrandizement (measures of consumer xenocentrism C-XEN) for both developed and emerging economies. Social aggrandizement plays a key role for sharing positive WOM in emerging economies since people from these economies wish to portray positive image by sharing positive feedback due to out-group favoritism and liking for other (developed) cultures.

Key Contributions

The article contributes to the cross-cultural research on social spatial imagery, xenocentrism, eWOM, and project performance of global virtual teams in online social networks. Our research delves into cross-cultural differences prevalent amongst GVTs from developed and emerging economies, which moderate the relationships between consumer xenocentrism and eWOM, further impacting overall GVT project performance (success / failure).

References are available on request.

User Engagement on Social Media: A Contrarian Analysis

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Salah Hassan, George Washington University

David Ashley, George Washington University

Keywords: *user engagement, antecedents, contrarian analysis, social media*

Description: *This research uses contrarian analysis to examine antecedents of user engagement on social media.*

EXTENDED ABSTRACT

Research Question

This paper uses contrarian analysis to examine the key drivers of user engagement on social media. The key research question that this paper attempts to answer is how can contrarian analysis help develop a re-defined technology acceptance model (TAM) to explain the antecedents of user engagement on social media. At the theoretical level, this paper represents an attempt to refine the theoretical framework of the technology acceptance model (TAM) developed by Davis et al. (1986) in the context of social media, by adding another layer of analysis through using multi-motivational variables namely; perceived enjoyment, connectedness and social media image to test how they influence users' engagement on social media. It uses contrarian analysis in developing and testing this refined TAM model. Satisfaction is seen as a key indicator of user engagement and recommendation to others. Whereas the majority of scholarly articles have focused on the importance of customer engagement in social media contexts, few ones focused on factors that increase participants' involvement.

Method and Data

Contrarian analysis was used to assess the impact of TAM variables on overall satisfaction with social media. Standard deviations help identify how varied the data are around the mean, but the Z-score enables researchers to get a more refined assessment of the data by smoothing out the data results in a way that helps reduce the impact of outlier data. This survey dataset, which consisted of a probability sample of 388 social media users in the U.S., was analyzed to determine which questions demonstrated high Z-score variables.

The questions were then grouped into various dependent variable categories: enjoyment, connectedness, and image. Each of these three overall categories is composed of multiple questions, thus creating a composite picture for each overall dependent variable category. These categories were taken as three key drivers of satisfaction with social media. The three key areas under study; enjoyment, connectedness, and image on engagement and satisfaction of using social media – were further analyzed by comparing the relative Z-scores associated with each concept. Z-score variability is the foundation of contrarian analysis used in financial trend analysis and is used in this research as an indicator of the relative effect each category grouping has on social media satisfaction.

Summary of Findings

The coefficient of determination for each grouping's effect on overall social media satisfaction indicates that enjoyment shows a significant impact (average z-score of .4) The impact of connectedness and image were .1 and .07 respectively. Using 10% as an impact threshold, connectedness had a notable impact on overall social media satisfaction, however, image, although showing some impact, was doesn't appear to be key factor in social media users' overall satisfaction. Data also shows relative significance, using a 95% confidence level, of each grouping. Enjoyment is highly significant at .766 ($p = .002$), connectedness is significant at .226 (.008), and image is barely significant at .126 (.057). Additionally, Z-score variabilities and related correlations compared overall satisfaction with attitude toward social media as well as activities conducted on

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social media such as sharing, commenting, recommending to others. Results indicate that overall satisfaction is also a function of attitudes and activities conducted on social media with correlations of .535 and .813 respectively. The totality of the Z-score variable by the question also indicates that users experience with social media affects their opinion of social media. Other top factors are being connected to friends, trusting social media, and social media being useful to them.

Key Contributions

Complexity analysis helped us delve deeper into understanding the relationships between independent variables X and the key dependent variables for this research which is satisfaction and continued use of social media. The contribution of this paper is two-fold. At the theoretical level, this paper represents an attempt to redefine the theoretical framework of the technology acceptance model (TAM) developed by

Davis et al. (1986) in the context of social media using multi-motivational variables such as perceived enjoyment, perceived connectedness, social media image and test how they influence users' engagement on social media. It uses contrarian analysis in developing and testing a re-defined model of TAM. Only few researchers used contrarian analysis in marketing context (Woodside, 2013). At the empirical level, this paper is conducted on a general population of social media users in the U.S. which constitutes a diverse population to help provide more representative results. Besides having a diverse population, the U.S. has also been among the early users of social media and this adds to the richness of the data. This study is valuable in describing how contrarian analysis can be used in probing complexity theory tenets and building and testing a modified technology acceptance model.

References are available on request.

Language and Brand Personality on Social Media: An Exploration of Brand Communication on Facebook

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James M. Leonhardt, University of Nevada, Reno

Nina Krey, Rowan University

Keywords: *brand personality, Facebook, text analysis, branding, social media*

Description: *This paper investigates the relationship between brand personality language markers and brand outcomes.*

EXTENDED ABSTRACT

This exploratory research conducts a textual analysis of brand communications on Facebook to determine the linguistic features of brand personality, sentiment, and emotionality of brand posts and how these features differ across FCB Grid quadrants. Methodological approaches for linguistic analysis are also discussed.

Research Question

RQ1: How are brands, classified by their location on the FCB grid, communicating dimensions of their brand personality to consumers through social media brand messaging?

RQ2: How are brands, classified by their location on the FCB grid, communicating sentiment to consumers through social media brand messaging?

RQ3: How are brands classified by their location on the FCB grid communicating different levels of affect to consumers through social media brand messaging?

Method and Data

Archival data from official brand pages on Facebook were collected. The data consists of brand posts which are posts on each brand's Facebook page created by the brand (e.g., "Check out our new line of products"), and the number of likes, shares, and comments corresponding to each brand

post which are created by consumers. The data was collected in partnership with a third party firm for each brand over a period spanning 13 months from June 30, 2013 through June 30, 2014. A total of 80 brands were chosen due to their inclusion in rankings for the top brands on Facebook (Tobin 2014) and data availability from a third party firm's social media repository. In total, 31,428 brand posts were collected along with the consumer likes, shares, and comments corresponding to each brand post.

Summary of Findings and Key Contributions

The results from a series of exploratory studies investigating brand communications of brand personality, emotionality and sentiment may inform theory from a number of areas. Overall, the studies extend existing knowledge of brand relationships and brand dimensions (i.e., personality) through linguistic analysis to social media. The results of study 1 extend previous work related to information processing of advertising information on brand outcomes such as attitude towards the post and also extends the FCB grid from traditional marketing communication contexts to a social media context. Studies 2 and 3 extend previous work on sentiment and brand emotionality to social media and is, to our knowledge, the first to apply such approaches through the vantage of the FCB grid.

References are available on request.

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Social Networking and Event Attendance: Identifying the Underlying Factors

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Erica Sedler, University of Southern Maine

Kurt Johnson, University of Southern Maine

Keywords: *social network, cluster analysis, event attending, multinomial logit analysis*

Description: *This study investigates the underlying factors behind social networking and event attendance.*

EXTENDED ABSTRACT

Research Question

How do social factors and behavioral factors affect event attendance?

Method and Data

For this study, we collected both social data and behavior data from both internal and external sources of the event organizer. The social data includes the industry a person works in, how many years experience they have and their job title, and whether the individuals recently moved to Portland. The behavior data consists of the number of tickets a person purchased, whether or not a person follows the Facebook page of the event organizer, and whether or not a person follows the Twitter page of the event organizer, how many email a person has opened emails sent by the event organizer. By “matching” social variables and behavior variables, a data set of 200 attendees was created for the analysis.

This data is first subject to an exploratory analysis and cluster analysis. Furthermore, a multinomial logit analysis was used to discover employees of which industries are most likely to attend networking events, whether people who follow social media accounts are more likely to attend events, if people who recently moved to the city are more likely to attend events and if the amount of years of experience impacts someone’s likelihood to attend events.

Summary of Findings

The first and most obvious takeaway from this regression is that people liking the host of the event on Facebook are more likely to attend the event. In comparison, Twitter did not have too much influence on event attendance. After reviewing the host’s website, we realized that their social icons are very small and blend into the background of their web page. We noticed the same issue with email marketing. The host sends out 1-3 emails per week to over 1,600 subscribers, and very few of them ever click over to the host’s Facebook page from the emails.

Key Contributions

From a managerial perspective, our findings provide many valuable suggestions to the managers. Behavioral factors are more important than social factors. Specifically, social media marketing is a unique too. However, event organizers need to understand the underlying factors to boost event attendance. Furthermore, Facebook is not more than a place for posting news or stories. Instead, event organizers need to focus on building relationships with followers and harnessing the power of social media marketing.

References are available on request.

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Does Valence Matter? The Effects of Online Product Reviews on Luxury and Commodity Products

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Keywords: word of mouth, eWOM, valence, online product review, luxury products

EXTENDED ABSTRACT

How the Effects of Online Product Reviews on Luxury and Commodity Product Differ Depending on Consumer Characteristics

Among product categories, luxury products, defined as products for which owners' perceived benefits include not only functional utility but also prestige (Grossman and Sharpiro, 1988), attract high income consumers and generate significant profits for firms. Nevertheless, the role of online product reviews in affecting the consumption of luxury products is under studied. Cheema and Kaikati (2010) state that product reviews on luxury products might potentially undermine the exclusivity and prestige of the product. You et al. (2015) recommend further research to provide a better understanding on whether the sales of luxury and commodity products are affected differently by eWOM volume and/or valence. Although they find a significant relationship between eWOM effects and product durability, trialability and observability, it is not clear how this relationship applies to luxury and commodity products differently. This article attempts to uncover how online product reviews affect consumers' purchase intention of luxury and commodity products. Specifically, this study tests how the valence and volume of online product reviews affects consumers' purchase intentions of luxury and commodity products depending on their previous product experiences. Theoretical and empirical contributions, along with the major findings from comprehensive consumer survey studies, are discussed.

Method and Data

Participants and Design: 200 respondents participate in this study through Qualtrics.com. This experiment used a 2 (Valence: negative vs. positive) \times 2 (consumer category: First vs. repeat buyers) \times 2 (Product characteristics: Luxury

vs. Commodity) between subject design. Respondents are assigned to one of the eight experimental condition groups.

The study uses Louis Vuitton and Alpine Swiss as representative brands of luxury and commodity products, respectively. The Louis Vuitton brand is considered a luxury brand because their products provide consumers with functional utility and prestige (Grossman and Sharpiro, 1988). It was chosen for this study because of its long history, recognizable branding, and extensive product lines targeted at both men and women. The Alpine Swiss brand was chosen based on its generic brand image and significantly lower price than the Louis Vuitton wallet despite its similar functionality, an important distinguishing factor between luxury and commodity goods. This study uses wallets because of the product's unisex nature and significant price differences despite similar functionality, an important characteristic in distinguishing between luxury and commodity products.

Summary of Findings

Compared to commodity products, luxury products have low trialability and observability and high potential risk, resulting in consumers seeking more advice before a first purchase (East et al. 2013, Maity, Das, and Malhotra, 2014). Nevertheless, the effects of the valence of online product reviews are expected to be different depending on consumers' previous product experiences. When consumers buy luxury products, which involve high risk and lower trialability, it is common to use caution and seek more positive information before they make final purchase decisions. In contrast, for commodity products buyers seeking positive reviews, the significance is relatively low. Thus, for first-time buyers, the effects of online product review valence are

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greater for luxury products than for commodity products; for repeat buyers of luxury products, the product uncertainty and effects of trialability and observability vanish. The increased familiarity offsets the need to seek online product reviews, which is a phenomenon not observed with regards to commodity products. As a result, the effects of online product review valence are less for luxury products than for commodity products.

Key Contributions

The findings of these studies highlight the importance of using different marketing approaches for luxury and commodity companies. Because first-time buyers have a higher level of sensitivity to online product reviews, marketers for luxury goods companies need to pay special attention to online reviews in either penetrating a new market or launching new products. Existing consumers are less sensitive to

online product reviews when making purchase decisions; therefore, other marketing programs, such as loyalty membership programs, may be more effective than monitoring product reviews. On the other hand, the marketing programs for commodity products in a new market should be an aggregate of tools from multiple programs. Employment of the traditional marketing mix is still considered an effective approach, but current literature increasingly exaggerates the effectiveness of focusing on online product review management, which can be misleading. With regards to maintaining existing consumers, this study's findings highlight the importance of managing online reviews for commodity products, whose users are less loyal to the brand and more likely to be affected by others' opinions compared to consumers of luxury products.

References are available on request.

An Exploratory Study of Product Questions as Active Information Seeking: Evidence From an Online Retailer

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Youngsu Lee, California State University

Kijeong Jeon, Samsung Electronics

Keywords: *active information seeking, product complexity, search goods, experience goods, online Q&A*

Description: *We suggest that active information seeking is a neglected but significant consumer information search behavior, and the degree of active information seeking is affected by product complexity and product types.*

EXTENDED ABSTRACT

Research Question

While some consumers search product descriptions and product reviews by experts as their information sources, other consumers seek the first-hand experience of information by asking questions in the Q&A section. Though marketing literature has a long history of research on information search of online consumers, little is known about how different or similar information seeking is from or to information search. By recognizing an awareness of such behavioral and theoretical backdrops, we propose the following research question: What is the nature of information seeking distinct from information search in the online retailing context?

1. How does the complexity of products affect online customers' information seeking?
2. Does a product type influence information seeking?

Method and Data

In order to answer the research questions, we collected user-generated questions along with the specific information of 362 products across different product categories from Best-Buy. We operationalized active information seeking by the number of questions per product, product complexity by each product's attributes, and search or experience good (product types) by individual products' categories. We also controlled for customers' product involvement by product

price, product popularity by the number of product reviews, product reputation by the average ratings of products, and brand effect by the number of each brand's products in the same product category. The dependent variable of this study is the number of each product's questions, which is a non-negative, skewed count data. With the presence of overdispersion, we used negative binomial regression analysis over Poisson regression. To ensure the robustness of our empirical analyses, we conducted the variance inflation factor (VIF) analysis to examine the significance of the multicollinearity problem, resulting in that multicollinearity is unlikely to be a concern in our model estimation (Max of 2.57 and Mean of 1.61). Lastly, to deal with the presence of heteroskedasticity in errors, we estimated our model by using the Huber/White/sandwich estimator of variance.

Summary of Findings

Our empirical analyses found the followings. First, product complexity positively affects information seeking ($\beta_1 = 0.014$, $Wald \chi^2_{1, 360} = 24.01$, $p < 0.00$). Second, information seeking becomes stronger for search goods than for experience goods ($\beta_2 = -0.268$, $Wald \chi^2_{1, 360} = 21.8$, $p < 0.00$). Lastly, product types moderate the relationship between product complexity and information seeking such that information seeking behavior becomes even stronger for experience goods as product complexity increases ($\beta_3 = 0.007$, $Wald \chi^2_{1, 360} = 8.26$, $p < 0.05$).

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Key Contributions

As the first empirical investigation of information seeking in the online retail context, this study contributes to both theory and practice. First, this study offers new insights to consumer information search literature by introducing information seeking in terms of online questions. Second, while consumers actively seek information for search goods, such propensity for information seeking becomes more salient for experience goods as product complexity increases. We speculate that consumers want to make informed purchasing decisions considering the complexity and the idiosyncrasy of experience goods.

This study has implications for managers and practitioners. First, due to the positive relationship between online engage-

ment and sales performance, online retailers are suggested to use agents to resolve consumers' concerns and to provide confidence in purchasing decision. Relatedly, we suggest that information seeking through questioning is an inevitable consumer behavior that online retailers should pay more attention to. Second, according to socialization theory, information seeking is more salient to new customers than information search. Therefore, if active information seeking is managed well (i.e., questions are resolved in a timely manner), online retailers can successfully convert prospect customers into actual consumers.

References are available on request.

Social Capital Management: Determinate of Social Media Marketing Engagement

Corky J. Mitchell, Texas Tech University

Keywords: *social capital, Facebook, Instagram, social media, user engagement*

Description: *This article adds to the marketing and social media literature examining cross platform differences of social capital and specifically, explicates social capital management tactics, as a determinate for user engagement with social media advertising and posts.*

EXTENDED ABSTRACT

Research Question

Social media is pervasive and growing. Sixty-eight percent of U.S. adults are Facebook users—76% of them reporting daily use and the number of users continues to increase (Pew Research Center, 2016). Social media offers marketers a breadth of capabilities: public relations, direct to consumer communications, and customer relationship management; display, audiovisual, and interactive advertising medium; and sales promotion incentives such as contests and discount code delivery. Social media also provides rich data that enables informed, accountable, strategic marketing in ways that were once difficult, impractical, and in some instances impossible to obtain. Social media users clicking, “liking,” sharing, etc. amounts to user engagement and data. Given the powerful capabilities of social media to target specific audiences with customized marketing messages it is important for marketers to identify aspects that influence users’ decisions to engage or ignore a product, brand, company/organization, or online community within the realm of social media. This study seeks to address the questions: Does social capital influence user engagement with marketing content on Facebook? On Instagram? How does social capital management tactics effect user engagement on each platform?

Method and Data

The proposed method for each study is as follows: Study 1 examines social media advertising attitudes, social capital composition, and social capital management tactics used on Facebook and Instagram. Respondents for this study are a random sample of 150 male and female, 18-29 years old. Students of this age range are an appropriate and ideal sample, adults aged 18-29 are the largest users of both Facebook and Instagram (Pew Research Center, 2016). The web-based survey has

a total of 44-items developed to measure the constructs of social media platform usage and motivation, social capital, social comparison orientation, self-presentation, and privacy.

Study 2 explores millennial’s perceptions of advertising on Facebook and Instagram. A sample of 128 adults age 18-29 will participate in a 2×2 between subjects factorial experimental design. Participants will be exposed to social capital enhancing or social capital diminishing ads in either a mockup version of Facebook or Instagram containing four stimuli advertisements. Participants will spend 10-minutes going through the mockup feed where they may read posts, view images, watch videos and even like content but will not be able to click out of the feed to any external pages. After 10-minutes the computer will automatically switch to a survey asking about the feed just viewed. The survey will measure ad memory, ad engagement, and social capital management.

Summary of Findings

The results should provide insights on how social capital is viewed and managed through social media and whether social capital is a determining factor of user’s engaging with social media marketing content. Study 1 and Study 2 are in the design phase.

Key Contributions

It is hoped that the information provided will improve social media marketing efforts, provide insights valuable to online brand communities and other social media organizations and communities. Additional contributions may present with the final empirical results.

References are available on request.

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Examining the Impact of Brand Selfie on Brand Attitude on Twitter

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Keywords: *brand selfie, brand attitude, Twitter*

EXTENDED ABSTRACT

Research Questions

1. How does brand selfie impact people's brand attitude?
2. What features of brand selfie can impact people's brand attitude?

Method and Data

A mixed-methods approach was applied. First, a qualitative study was conducted to identify selfie characteristics that can potentially affect brand attitude. Content analysis was applied to derive insights from participants' responses. Second, in a quantitative study, the authors performed multiple regression analysis to examine the empirical impacts of the four selfie characteristics that were identified in the first study.

Key Contributions

This is the first paper that examines the impacts of brand selfies on brand attitude in the Twittersphere. First, findings

from this paper provide empirical evidence that brand selfies can influence brand attitude. Second, the results of this paper support and extend current research on UGC. Third, the current findings offer important managerial insights for brand managers and advertisers.

Summary of Findings

Study one identified four important characteristics of brand selfies: physical attractiveness, emotion, product experience, and social influence. Study two provided empirical support that those four brand selfie characteristics significantly affected brand attitude.

References are available on request.

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Personal Data Sharing and Collection: Consumer Acceptance and Fairness of Exchanges in Digital Environments

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Keywords: *privacy concerns, personal data collection, consumer acceptance, fairness in exchanges, tradeoffs, consumer resignation, personalization, digital commerce, digital marketing, privacy paradox, privacy calculus*

EXTENDED ABSTRACT

Consumer engagement happens through dynamic, transactional and non-transactional interactions with brands (Brodie et al. 2011; Verhoef, Reinartz, and Krafft 2010) driven today largely by digital interactions. Digital interactions are fueled by a growing always-on, connected consumer base armed with an array of internet-connected devices, smartphones especially. Mobile devices have become critical to U.S. daily life with the obsession growing and spreading across generations and socio-economic factors as consumers use new technologies and capabilities to communicate, seek information, navigate locations, shop, pay, interact with friends, and more (Deloitte 2015; Deloitte 2016). In fact, “mobile devices have become so ubiquitous that anyone without access to one is unable to participate in the full spectrum of activities that comprise our global economy” (Deloitte 2016, p. 3).

The growth of the global (digital) economy has led many marketers to believe that consumers are less concerned about their privacy and security than people were years ago; however, the opposite may be true (Deloitte 2015). Consumers still care about protecting and controlling their personal information and are also concerned about potential misuses. Ironically, younger generations, growing up in an era where everything is online, have the same security concerns as older Americans (Acquisti, Brandimarte, and Loewenstein 2015; Deloitte 2015; Deloitte 2016). Meanwhile, marketers are investing heavily in digital marketing, with retailers alone projected to increase their spending to \$23.04 billion in 2020, up from \$15.09 billion in 2016 (Liu

2016). And, because digital marketing involves overt personal data collection, like signing up for text messaging, and increasingly covert collection, like being served local advertisements based on location aware services that track movements (Xu et al. 2009), it adds tension to relationships between consumers and firms when marketers, empowered with rich profiling data, intrude more deeply and more precisely into the lives of consumers without providing them the relevant benefits of personalization and customization (Deighton and Kornfeld 2009; Wollan et al. 2017).

In academic research and marketing practice, these incongruities have been attributed to tradeoffs, generally referred to as the privacy calculus or privacy paradox. The *privacy calculus* is a theory in which personal information is treated as a commodity with an individual’s choice of revealing or concealing it positioned as a rational decision involving the understanding of risk and reward (Culnan and Armstrong 1999). The *privacy paradox* describes the seeming contradiction between an online user’s claim to having privacy concerns while acting in ways that are inconsistent with their concerns (Barnes 2006). Numerous studies about online shopping and social media provide evidence of support for the privacy paradox and acknowledge the privacy calculus.

Our research investigates a new perspective on personal data sharing and collection as a follow-up to a prior qualitative study of connected consumer shopping behaviors. Consistent with the privacy paradox, we found that online behaviors contradicted participants’ expressed privacy concerns.

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However, we were intrigued by participant claims of having neither control nor choice over whether to share their personal data *and* also participate fully in digital life. Although some statements suggested a sense of resignation akin to those found by Turow, Hennessy, and Draper (2015, p. 3) who claim it occurs “when a person believes an undesirable outcome is inevitable and feels powerless to stop it,” many others implied a *fait accompli*; something that has already happened or been decided before those affected hear about it, leaving them with no option but to accept (Google 2018). Therefore, we propose consumers are more accepting than they are resigned, and that acceptance may be a middle ground between the privacy paradox and privacy calculus at one end and resignation at the other.

We explored this theme by asking: What explains consumer acceptance of personal data collection online? We suggest it is explained, in part, by consumer attitudes toward privacy concerns, perceived value of online personalization, personal interest in internet information, and perceptions of fairness in exchanges or tradeoffs involving their personal data collection. We also sought to understand whether online shopping experience, age, having been a victim of privacy invasion, and awareness of personal data breaches as announced by Chipotle, Verizon, Kmart, Google, Equifax, and others in the weeks and months preceding our survey data collection, had any impact.

Although privacy paradox and privacy calculus research focuses heavily on consumer willingness to make tradeoffs, consumer acceptance has not been studied much, if at all, in the context of personal data sharing and collection. We analyzed survey responses of 790 men and women representing four generations; all heavy internet/mobile users. Our research contributes to the limited understanding about this topic with insights advancing academic literature and benefiting practitioners. A summary of our efforts and findings follow.

Theoretical Framing and Hypotheses

To understand consumer acceptance, we included determinants used to test the privacy paradox and privacy calculus in our hypothesized model. It features nine constructs and two controls. See Figure 1.

Consumer acceptance of personal data collection online (consumer acceptance) is our main dependent variable. Considerable commentary exists about whether internet use, in general, and social media use, in particular, are related to higher levels of stress (Dick 2017). Hence, we suggest that consumer decisions about personal data sharing and/or collection are potentially stressful, and look for support in the stress and coping literature. Lazarus (1966) defined stress as a relationship between the person and the environment that

is appraised as personally significant and taxing, or exceeding resources for coping. This definition is the foundation of stress and coping theory (Lazarus and Folkman 1986).

According to Folkman (2013), stress and coping theory provides a framework that emphasizes the importance of two processes, appraisal and coping, as intermediaries of the ongoing relationship between the person and the environment; the consumer and the digital environment in our research. Coping refers to the thoughts and actions people use to manage distress and sustain positive well-being (Carver, Scheier, and Weintraub 1989; Folkman 2013). It is influenced by the person’s coping resources (e.g., psychological, spiritual, material) and by the nature of the situation, especially whether its outcome is controllable or has to be accepted, which is the case for emotion-focused coping (Carver, Scheier, and Weintraub 1989; Folkman 2013; Folkman and Lazarus 1980).

Fairness of exchanges or tradeoffs involving consumer personal data (fairness of exchanges) is our second focus construct. Consistent with stress and coping theory, we propose that the determination of whether or not something is “fair” is part of the consumer’s appraisal process. Additionally, social contract theory suggests that a moral contract governs the basic tenets and agreements existing between a society and individuals (Dunfee, Smith, and Ross Jr 1999). By completing marketing transactions with customers in ways that enhance future exchanges, organizations create conditions that can lead to long-term relationships (Caudill and Murphy 2000). Therefore, firms should adapt practices to meet stakeholder privacy norms (Maignan and Ferrell 2004) viewed as mutually beneficial and sustainable agreements within a community (Martin 2012) or as context-dependent norms (Nissenbaum 2004; Nissenbaum 2009).

Key to successful exchanges is equity—the difference between what it costs the consumer to participate and the benefits they receive (Houston and Gassenheimer 1987; Huppertz, Arenson, and Evans 1978). Each party has something of value—economic, social, or both—that the other one wants (Makoba 1993). The parties maintain exchange relationships because of the expected rewards (Blau 1968; Gouldner 1960; Homans 1958). Interactions via mobile and social media also create exchanges of self-interested parties to achieve outcomes that neither party could achieve on their own (Blau 1964; Emerson 1976; Lawler and Thye 1999). Therefore:

Hypothesis 1. Fairness of exchanges has a positive effect on consumer acceptance.

Consumer concern for privacy (privacy concerns) is our second predictor. That consumers have privacy concerns is

well-established (Acquisti, Brandimarte, and Loewenstein 2015; Deloitte 2015; Deloitte 2016) as is the notion that consumers make concessions about their privacy concerns when faced with decisions involving trading their personal information in exchange for a perceived benefit; the premise of the privacy paradox and privacy calculus. However, as Turow, Hennessy, and Draper (2015) suggest, consumers may not actually be managing their personal information the way they want to because doing so would prevent them from participating in the digital economy thereby giving up their agency. Therefore:

Hypothesis 2. Privacy concerns have a (a) positive effect on consumer acceptance and (b) negative effect on fairness of exchanges.

Perceived value of online personalization to consumers (personalization value) is another predictor. Personalization refers to the tailoring of products and purchase experiences to the tastes of individual consumers based on their personal and preference information (Chellappa and Sin 2005). It also refers to the customization of digital products such as mobile applications (apps) and websites based on personal information and preferences. Wollan et al. (2017) found that U.S. consumers have a strong appetite for hyper-relevant experiences with 43% of respondents more likely to shop with companies that always personalize experiences, as long as their trust is not compromise; and, 31% saying they would find great value in services that intuitively learn about their needs over time to customize product, service or content recommendations. Thus, as personalization increases, the value of what consumers receive should also increase (e.g., better suited products, more relevant experiences) thereby creating a greater perception of fairness which decreases consumer reluctance toward personal data collection. Therefore:

Hypothesis 3. Online personalization has a (a) negative effect on consumer acceptance and (b) positive effect fairness of exchanges.

Personal interest in internet information (personal interest) is our fourth predictor, and it plays an important role in personal data exchanges (Dinev and Hart 2006). Kehr et al. (2015) illustrate how consumers willingly relax their privacy concerns when interested in internet information. Additionally, they show that privacy calculus is influenced by momentary affective states, indicating that consumers underestimate the risks of information disclosure when confronted with a situation or user interface that elicits positive affect. These findings build on those of Dinev and Hart (2006) who suggest that individuals often make choices in which they surrender a certain degree of privacy in exchange for outcomes that are perceived to be worth the risk of information disclosure. Therefore:

Hypothesis 4. Personal interest in internet information has a positive effect on both (a) consumer acceptance and (b) fairness of exchanges.

Online Shopping Experience is another predictor. On the one hand, the longer someone has been shopping online, the more comfortable they might be sharing personal information or having it collected. This may be attributed to having experienced the positive benefits of digital commerce and/or or because, over time, fear of unknown potentially negative consequences faded. However, one could also argue that the longer someone has participated in digital life, the greater their chance of having personally been affected by a data breach or been made aware of personal data breaches while consuming digital and/or traditional media. Thus, online shopping experience (in years) may go either way toward impacting how consumers assess the risks and benefits of personal data collection by marketers. Therefore, although we expect that online shopping experience would impact both fairness of exchanges and consumer acceptance, we do not propose an *a-priori* direction. Therefore:

Hypothesis 5. Online shopping experience (in years) has an impact on both (a) consumer acceptance and (b) fairness of exchanges.

Awareness of Potential Misuse of Personal Information is another predictor. In the wake of several personal data breaches announced in the weeks and months preceding our data collection (e.g., Chipotle, Verizon, Kmart, Google, the Internal Revenue Service, and Equifax), we wondered whether having read or heard about the potential misuse of personal information collected online and/or being a victim of any such invasion of privacy had any impact on consumer acceptance and fairness of exchanges. Therefore:

Hypothesis 6. Awareness of the potential misuse of personal information has a negative effect on both (a) consumer acceptance and (b) fairness of exchanges.

Hypothesis 7. Being a victim of an invasion of privacy has a negative effect on both (a) consumer acceptance and (b) fairness of exchanges.

Age is our last predictor. Although literature demonstrates strong support for studying online decision-making (e.g., tradeoffs), it often does so with a bias towards youth with samples often consisting of undergraduate and graduate students and people under 30 years old (Devaraj, Fan, and Kohli 2006; Maity and Dass 2014; Xu et al. 2011). While this research furthers our understanding of how consumers make decisions in digital environments, it is replete with arguments supporting the notion of conscious tradeoffs by

young, early adopting consumers in digital environments. It offers no insights into how – if at all – decision making differs across generations. Because connected consumers represent various generational cohorts (Deloitte 2015) with young and old alike expressing privacy concerns (Acquisti, Brandimarte, and Loewenstein 2015; Deloitte 2015; Deloitte 2016; eMarketer 2016), we posit that:

Hypothesis 8. Age has a negative effect on both (a) consumer acceptance and (b) fairness of exchanges.

Because male and female participants in our prior qualitative study expressed privacy concerns equally, we controlled for gender. A five-item social desirability scale was also included to control for Common Method Bias. For the sake of parsimony, we hypothesized only direct effects for this study.

Research Methods and Data

Survey methodology was used to test our model. The enabled us to capture a broad sample in a convenient, inexpensive manner thereby making our results generalizable. Five constructs were derived from established and validated measures with responses measured on a five-point Likert scale anchored by *strongly disagree* and *strongly agree*. Existing scales were adapted to fit our research by making wording changes to best reflect the consumer as the principal in our questions and consumer acceptance as the main subject of our investigation. We also created personal data use and exchange scenarios which were used as stimuli for survey responses. Information about online shopping experience (in years), awareness of the potential misuse of personal information, victim of invasion of privacy, gender, and age was also collected. See hypothesized model in Figure 1.

After a pre-test on Amazon Mechanical Turk (MTurk) with 150 respondents, data for the main analysis was collected in late 2017 using MTurk, social media, and the lead investigator's personal and professional network (P&P Network). We received 868 responses to our survey: 461 (53%) from the P&P Network and 407 (47%) from MTurk. Corrective measures in two phases of data screening reduced our measurement model sample to 790 (N1 = 790) and our structural model sample to 763 (N2 = 763).

The survey was hosted online by Qualtrics, a leading research software company. Notable observations about our sample included: (1) more woman than men participated in our survey; (2) three generations (Millennials, Generation Xers, and Baby Boomers) are each well-represented; (3) respondents are well-educated with the majority having four-year college degrees or more; and, (4) the sample has

significant work experience. Respondents are also avid online shoppers with considerable awareness about potential misuses of (their) personal data.

We performed an exploratory factor analysis (EFA) and subsequent confirmatory factor analysis (CFA) on our measurement model. Twenty-seven (27) items were submitted to an EFA in SPSS version 24 using Principal Access Factoring as our extraction method along with Promax rotation (Matsunaga 2010). A few items were removed for not meeting appropriate thresholds. EFA statistics observed showed our six factor solution had adequacy, reliability, and validity. The specified model in our CFA featured six constructs and had acceptable fit: CFI = .93; GFI = .93; IFI = .93; TLI = .92; SRMR = .06; RMSEA = .06; and, PClose = .05. The Chi square value for the overall model was insignificant ($\chi^2 = 586.65$, DF = 174, $p = 0.000$) also suggesting good fit between the hypothesized model and the data. The CFA model had convergent and discriminant validity.

Two structural equation models were built using AMOS version 24. Results are presented with standardized values. The first model was fully specified to evaluate all paths. Model fit was poor, but irrelevant as it was only a baseline. Model paths were reviewed and the path with the lowest regression weight (also insignificant) was removed ($\beta = .008$, SE = .018, $p = .829$). Once removed, our model had excellent fit (Chi-square = .047, df = 1, $p = .829$, CFI = 1.00, PCLOSE = .933, SRMR = .001, RMSEA = .000). No other paths were removed.

Findings

Our model explained 17% of the variance in fairness of exchanges and 24% of the variance in consumer acceptance. Hypothesis results appears in Table 1. Of the 15 hypotheses, 13 were supported. Hypothesis 5b was eliminated to improve model fit as previously mentioned because it had the lowest regression weight, also insignificant. It was also without *a-priori* expectation, the result of which was positive ($\beta = .008$, SE = .018, $p = .829$). Hypothesis 6b was not supported as the result was in the opposite direction. Though supported, four hypotheses had non-significant p-values ($p > .05$). The control variable, gender, had a negative significant effect on consumer tradeoffs ($\beta = -.19$, SE = .04, $p < .001$) and a positive insignificant effect on resignation ($\beta = .03$, SE = .02, $p = .361$).

Key Contributions and Conclusion

Although we know that feelings of consumer acceptance of personal data collection online exist, less is known about what factors contribute to it. In this study, we set out to determine the extent to which factors previously demon-

strated to impact consumer willingness to make tradeoffs affected consumer acceptance. Additionally, we examined the role of fairness of exchanges or tradeoffs. Academic literature about consumer acceptance in the context of personal data sharing and collection is minimal. Therefore, our results add to this limited extant literature.

Our findings suggest a middle ground and new perspective between the privacy paradox and privacy calculus at one end and consumer resignation at the other. And, that consumer acceptance is worthy of ongoing study. Scenarios and situations involving personal data collection and sharing are clearly not black and white for consumers, but nuanced. Consumers are continually negotiating their willingness to make concessions or compromises based on personal interest, personalization value, relevance, and fairness.

Determinants of the privacy paradox and privacy calculus are also determinants of fairness of exchanges and consumer acceptance. However, although online shopping experience, awareness of potential misuse of personal information, and privacy victimization were also determinants, they were not always significant. This may indicate a numbing of consumer reaction to breaches involving personal data given their increased frequency. Or, perhaps consumers are simply weary of stressing over it, hoping or expecting that others (e.g., credit card companies, retailers, etc.) will do more to protect privacy while they remain fully immersed in their

digital lives. Regardless, marketers should become more cognoscente of the nuances associated with the overt and covert personal data collection and sharing divide (as consumers see it), and more noticeably committed to protecting consumer privacy.

This is an important time to be studying consumer acceptance and we intend to continue research in this domain. Future studies might consider the impact of privacy knowledge, unsolicited personalized marketing intrusions, resistance to digital marketing, and more along with additional demographic information to better understand consumer acceptance. Additionally, we plan to monitor the impact of the European Union's Data Protection Regulation (GDPR) legislation on U.S. public opinion, public policy, and U.S. companies doing business in the EU. On May 25, 2018, the EU will begin enforcing the GDPR, legislation which strengthens data protection, by empowering EU citizens to decide which brands can use their personal data and for what reasons, with steep penalties for companies that fail to comply (GDPR.org). U.S. academics, researchers, and practitioners alike can learn a lot by monitoring the EU's stricter approach to protecting consumer data. Perhaps U.S. firms will embrace and import changes for the betterment of their customer relationships given the absence of legislation at home.

References, figures, and tables are available on request.

Siri, Alexa, and Other Digital Assistants: A Study of Customer Satisfaction with Artificial Intelligence Applications

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Laura Munoz, University of Dallas

Richard J. Miller, University of Dallas

Keywords: *customer satisfaction, expectations confirmation theory, digital assistants, privacy concerns, artificial intelligence*

Description: *This research study explores the alignment of digital assistant user expectations with the perceptions of digital assistant performance towards customer satisfaction for these specific artificial intelligence (AI) applications.*

EXTENDED ABSTRACT

The purpose of this study is to explore if there is alignment of digital assistant user expectations with the perceptions of digital assistant performance towards customer satisfaction. In addition, the study explores if information privacy concerns and perceived trust offer a moderating influence on the expectations confirmation theory relationships. Businesses have begun integrating this technology into their operations with the expectation of achieving significant productivity gains even though there is uncertainty as to whether customers will be satisfied with the interaction experience. Customer satisfaction has been discussed extensively throughout marketing literature. Yet, there is little empirical evidence of customer satisfaction with digital assistants. The results of this study confirm the alignment of user expectations with customer satisfaction. Further, it suggests that management should focus its priorities on assisting digital assistant users to become aware of new technical skill capabilities while also providing relevant examples of how these skills can be used to meet user needs. In addition, priorities should be focused on assisting users with understanding how the average person can use digital assistants to perform more than just mundane tasks with relative ease.

Research Question

While customer satisfaction has been discussed extensively throughout marketing literature, there is little empirical evidence of customer satisfaction with digital assistants.

The dearth of research on this topic introduces opportunities to provide clarity and insights to firms as they pursue ongoing programs involving digital assistants. To address this business question, this study used the expectations confirmation theory (ECT) as its foundational theory (Oliver, 1980, 1981). It examines to what degree is there alignment of digital assistant user expectations with the perceptions of digital assistant performance towards customer satisfaction?

In addition, recent advancements in machine learning and deep learning capabilities associated with digital assistants allow for data-driven discoveries involving previously hidden patterns, correlations, and other revealing personal insights (Alpaydin, 2014). Thus, it is imperative to study to what extent the cognitive considerations associated with information privacy concerns and perceived trust offer a moderating influence on the ECT relationships.

Method and Data

The study results are based upon a cross-sectional survey-based field study. Measures were derived from existing scales and adapted for the study context. Sampling was performed through email and social media (i.e., Facebook and LinkedIn). Referral emails were also encouraged. In total, 244 usable responses were collected. PLS-SEM was used to test the measurement and structural models.

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Summary of Findings

The empirical analysis provided support for most of the hypothesized cause-effect relationships depicted in the model. The model was found to be substantial in predictive power for explaining user satisfaction with digital assistants and is statistically significant. Examination of the pertinent latent variables identified that *expectations* was the most important area of influence for *customer satisfaction*. In a similar manner, constructs of somewhat lesser areas of influence were *confirmation of expectations* and *perceived trust*. Surprisingly, *information privacy concerns* exerted a comparatively low importance impact on *customer satisfaction*.

Key Contributions

Overall, *expectations* and *confirmation of expectations* were found to be significant antecedents of *customer satisfaction*. While *perceived trust* and *information privacy concerns* were not found to be significant moderators of the relationship between *confirmation of expectations* and *customer satisfaction*, these constructs were found to have a significant direct relationship with *customer satisfaction*. This study

advances our understanding of the theoretical foundations for customer satisfaction as related to a new AI technology platform involving digital assistants. Given the relative infancy of current digital assistant adoption and utilization, there is limited empirical work directly related to the consumer experience and customer satisfaction. This study affirmed the role of the expectations confirmation process in the customer satisfaction evaluation.

The study also provides guidance on areas of high importance for customer satisfaction and which require performance improvements. Firms should focus priorities on assisting digital assistant users to become aware of new skill capabilities while also providing relevant examples of how these new technical skills can be used to meet user needs. In addition, priorities should be focused on assisting users with understanding how the average person can use digital assistants to perform more than just mundane tasks with relative ease.

References are available on request.

Should I Stay Or Should I Go? The Impact of Brand Betrayal on the Likelihood of Brand Community Exit

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Scott Thompson, Saint Louis University

Keywords: *brand community, social identity theory, brand betrayal, longitudinal data, survival analysis*

Description: *Drawing on brand community literature, social identity theory, and research on brand betrayal, this paper tests and discusses the possible impact of membership duration and brand community participation on brand community exit after brand betrayals.*

EXTENDED ABSTRACT

Research Question

How does brand betrayal influence the likelihood of brand community exit?

Method and Data

For the purpose of this study, we chose to focus on the impact of the recent VW emission scandal on the VWVortex online brand community, which claims 909,694 registered members and contains over 85 million messages as of January 2018. Longitudinal data was collected, spanning from June. 26, 2015, when the betrayal become known, to Sept. 24, 2016. Data was collected from the Golf forum, referencing models which were impacted by the betrayal, and the Cabriolet forum whose models were not impacted. Specifically, data was collected on members' participation across the entire VWVortex community, their participation in each of the two product brand forums, and the date on which they joined the community. Furthermore, the last day on which each member participated in the community was identified. This data was used to create a dataset containing information on each member's participation, membership duration, and date of exit.

We use a Cox PH model to estimate the impact of participation and membership duration on the likelihood of exiting the brand community.

Summary of Findings

Models 1, 2, and 3 are significant ($p < .01$). The results of model 1 support H1a, predicting that longer membership

duration in the overall brand community reduces the likelihood to exit; the competing hypothesis H2a is not supported. Greater participation in the brand community ($p < .05$) and in the product brand forums ($p < .01$) reduced the likelihood to exit. These results support H1b, which predicted that frequent participation reduces the likelihood to exit; the competing hypothesis H2b is not supported.

The results of model 2 show that the Golf forum dummy variable is significant ($p < .01$) with a hazard ratio of 1.17. These results support H3, which predicted that members who participate in forums dedicated to product brands directly impacted by a brand betrayal are more likely to exit the community than those who participate in forums dedicated to product brands that are not directly impacted.

In model 3, the interaction between the Golf dummy variable and VW membership duration leads to a reduced likelihood to exit the brand community ($p < .05$). This suggests that while Golf forum participants are more likely to exit the brand community, those participants with longer membership duration in the overall VW community have a reduced likelihood to exit.

Key Contributions

Results reveal that brand community involvement buffers firms from the consequences of brand betrayals. Longer membership duration in the community reduces the likelihood to exit following brand betrayal. Similarly, higher levels

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of participation in the overall brand community, and in specific product brand forums, also reduces likelihood to exit. This contrasts with the brand betrayal literature, which finds that consumers tend to abandon brands that betray them.

However, the results indicate that participants in product brand forums directly impacted by the betrayal are more likely to exit the overall brand community than participants in product forums not directly impacted. This suggests that brands pay a price for betraying brand community members, but this primarily concerns members in the product brands impacted by the betrayal.

Finally, we reveal an interaction predicted by neither the brand community literature nor the brand betrayal literature. We find a significant interaction between membership duration in the brand community and whether members participated in a product brand forum associated with products impacted by the betrayal. This interaction indicates that, while firms pay a price by losing brand community members due to betrayal, it is reduced among impacted members with longer community membership duration.

References are available on request.

Consumer Clicks on Multiple Keywords in a Hierarchical Structure and Online Retailers' Bidding Strategy

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Keywords: *search advertising, multiple keywords, purchase funnel, bidding strategy, clicking behavior*

Description: *This paper examines the interrelationships of consumer clicks on multiple search keywords and provides optimal keyword advertising bidding strategies for retailing advertisers.*

EXTENDED ABSTRACT

Research Question

Search advertising is the largest form of Internet advertising in terms of advertising spending. Though retail advertisers need to bid on a group of keywords of competing manufacturer brands, a task of retail advertisers' managing multiple keywords is less explored in the literature. In a multiple keywords context, we investigate consumers' click behaviors and retail advertisers' bidding behaviors considering the purchase levels and brand types. Specifically, we raise two research questions:

1. How are consumers' clicks related across a set of keywords corresponding to the different levels (category-, brand-, and model-level) and brand types (the leader and follower brands)?
2. How are retail advertisers' bids related across the set of keywords and are their bidding strategies in accordance with consumer click behaviors?

Method and Data

To understand the interrelationships of consumer clicks on multiple keywords and retail advertisers bidding amounts, we set up a simultaneous equations Tobit model with fixed effects and estimate the model using the Markov chain Monte Carlo method in a Bayesian framework. We obtained our data from one of the largest search engines in South Korea. Our data include keyword advertisement information

of 139 online retailers such as pay-per-click, bids, quality scores, ranks, and the number of clicks for frequently searched 14 keywords from September to November in 2012. We specifically use the running shoes category, in which Nike and Adidas are the leader and follower brands, respectively.

Summary of Findings

We present two empirical findings that are new to the literature. First, an asymmetric effect of competing brands exists in consumer click behavior. The search behavior of consumers who look for the follower brand (Adidas) is consistent with the purchase funnel framework, but that is not true for the leading brand (Nike). Consumers interested in Adidas seem to sequentially search for category-, brand-, and model-level keywords, while consumers interested in Nike seem to terminate their search at the brand-level keywords. Consumers must be well aware of Nike and therefore search for the brand keywords rather than for more general or too specific keywords.

Second, retailers consider keywords at different levels and brands strategic complements. They bid on all keywords at the category, brand, and model levels, which shows a consistent pattern with consumer click behavior. Regarding competition, retailers bid on both Nike and Adidas keywords at the brand level, indicating that the competing manufacturer brands are complements for retailers. On the other hand,

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they do not consider model-level keywords complements. Retailers may think that bidding for both brands' model level keywords is less likely to be effective than focusing on the brand in which they may have an advantage.

Key Contributions

Our paper contributes to the search advertising literature in the following ways. First, we extend the current literature in search advertising by examining both consumer click behavior and retailer bidding strategy on keywords at a hierarchical structure. Based on previous literature that considers multiple keyword groups, we further decompose branded keywords into brand-level (e.g., Nike running shoes) and model-level (e.g., Nike Freedom running shoes). This is an important extension because brands frequently include sev-

eral product models (e.g., Nike Lunar, Freedom, and Air Max), and consumers' ultimate purchase decisions are at the model-level rather than the brand-level. Second, unlike previous papers that deal with a single brand only or retailers without considering manufacturer brand competition, we examine the bidding strategy of retailers on multiple manufacturers' brands at different keyword levels. We suggest how retailers use the keyword advertising for competing manufacturer brands considering consumer click behaviors. Our findings will help managers elaborate their advertising campaigns by providing more comprehensive and detailed insights on consumer click behaviors and optimal corresponding bidding strategies for multiple hierarchical keywords.

References are available on request.

Can Interactive Music Drive Your Online Shopping Cart? An Experimental Study of Consumer Engagement and Behavioral Intention

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Keywords: *interactivity, interactive music, user engagement, behavioral intention, e-commerce*

EXTENDED ABSTRACT

Research Question

The study investigates the potential of applying interactive music to the design of e-commerce website in order to create more engaging consumer experience. Interactive music refers to a category of audio media where specific actions of a user lead to an alteration in the medium per se (Deweppe et al., 2015). On one hand, by integrating music to the presentation of interactivity, the degree of vividness is elevated, which produces positive effects on user engagement (Sheng and Joginapelly, 2012). On the other hand, by adding interactive features to the use of music, interactivity can also contribute to positive emotional reactions by enriching the sense of control and pleasure for its users (Koo and Lee, 2011). Therefore, the study posits that interactive music, compared to the use of static background music, will have a significant effect on user engagement that leads to greater behavioral intention and more positive evaluation toward the website and its brand. Additionally, the research examined whether four selected antecedents—existing attitude, Internet usage, price and web features as purchase decision-making factors—moderate the effects of interactive music on consumers' behavioral intention and perception.

Method and Data Used

The study created an e-commerce website and experimented a common technique of interactive music, soundtrack layering (Fraser and Bradford, 2013), through a single-factor experiment with three conditions (the control condition

without background music, the static background music condition, the interactive background music condition). Self-report questionnaires (N = 251) were used to collect behavioral and attitudinal data, including (1) a manipulation check measuring participants' perceived interactivity and emotional arousal, (2) mediating variables: vividness, cognitive and affective engagement, (3) dependent variables: evaluation of web features, attitude toward the site, behavioral intention, customer share, and retail preference, (4) moderating variables: existing attitude toward online shopping, frequency of Internet usage, the importance of price and web features as purchase decision-making factor.

Summary of Findings

We found that consumers in the interactive music condition were more affectively engaged in the shopping task, perceiving the website more novel due to a higher level of perceived vividness. The enhanced engagement led to more positive brand attitudes and increased users' behavioral intention to purchase. Additionally, interactive music also influenced online consumers through interaction effects with three moderators: (1) The more positive attitude consumers held toward online shopping in general, the more positive outcomes interactive music produced on their perception and behavioral intention. (2) The positive response toward interactive music also increased as the importance of price factor in decision-making raised, (3) and as the importance of web design factor in decision-making decreased.

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Key Contributions

Theory-wise, findings of the present study contribute to revealing the key mechanism by which interactivity of e-commerce websites creates more engaging shopping experiences for consumers. The consumer perception that they have control over the aesthetic aspect of their shopping experience – the background music – leads to greater consumer engagement. Interacting with the background music while shopping online is perceived to be something new and pleasant, and this positive experience enhances their brand attitudes and even behavioral intentions, even when all the other aspects of the website remained the same across three conditions. Furthermore, the moderating effect of price and web features as purchase decision-making factors provided additional insights to the function of interactive music as a heuristic cue (Petty and Cacioppo, 1986) and resonated with the Dual-Process Model of Interactivity Effects that interactivity can influence its audience through different pathways (Liu and Shrum, 2009). On one side, the experiment provided a low-involvement condition for price-oriented consumers; hence, the presence of interactive music created a pleasant merchandising environment and elicited positive emotional and attitudinal reactions. Conversely, customers who are attentive to design of an e-platform were likely to be in the central route of processing. Thus, interactive music

served as an additional factor for them to evaluate, which did not necessarily result in positive evaluations.

From a practical perspective, findings in respect to the interactive music's positive impact on enhancing perceived novelty are meaningful under the context of new media, website interactivity and their application in digital marketing communication (Hwang and Seo, 2016). Findings of the present studies not only revealed potential of applying interactive music to the design of online sale platforms but also provided significant marketing implications. First, given that interactive music is particularly impactful on eliciting perceived novelty, marketers should strategize to approach consumers who are more attentive to the experiential values of online shopping. Second, given that interactive music is effective in enhancing affective engagement through vividness, online stores of product types that need creative and rich visuals are more likely to see positive impact of the media format. Lastly, consumers' current perception, e-purchase amount and frequency, and preference of online shopping over brick-and-mortar stores can be a guideline for market research, as their existing attitude is a strong predictor of positive responses to interactive music.

References are available on request.

Online Shopping with Virtual Reality Versus 2D Display: The Mediating Role of Sense of Presence on Pleasure and Perceived Product Risk

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Keywords: *virtual reality, sense of presence, pleasure, perceived product risk, online shopping*

Description: *This research explores the role of sense of presence induced by virtual reality versus 2D display for online shopping by using flow and risk theory as conceptual framework.*

EXTENDED ABSTRACT

Research Question

Technical progresses in the field of virtual reality (VR) are considered as one of the greatest digital innovations of the future. However, technical developments in VR-applications for marketing purposes are still in their beginning stages. Hence, much less is known about the role of VR compared to 2D for improving shopping experience. This study is a first attempt to contribute insights in this field of research. We chose pleasure and perceived product risk (PPR) as dependent variables. Besides display type, websites' possibility to interact (PTI) is considered as driver for pleasure and PPR (Negash, Ryan, and Igbaria 2003). Specifically, we examine, if there are significant differences in display type alongside low versus high PTI as influencing factors for consumers' pleasure and PPR within online-shopping process. The differentiation aims to determine if VR or 2D may serve as stronger predictor for pleasure and PPR. According to literature, sense of presence (SoP) is determining for what VR makes unique and occurs, when users fully immerse into computer-simulated environments and consequently, feel present in these environments (Biocca 1992; Steuer 1992). Therefore, we further seek to define the impact of SoP as mediator between the relationship of VR versus 2D on pleasure and PPR.

Method and Data

The authors conducted an empirical study with 2 (display: 2D vs. VR) \times 2 (PTI: low vs. high) between-participants factorial designs and hence, four different scenarios in which the questionnaire focused on online-shopping in furniture and interior designs. Data were collected at a German University for the VR scenarios and were furthermore gathered by an online survey for the 2D scenarios. In the VR scenarios, participants were randomly assigned to view a VR online-shopping-application for floor coverings on a head-mounted-display. Respondents could move and walk in a virtual showroom for floor coverings. In the VR scenario with high PTI participants additionally received two controllers, which allowed them to change the floor covering. In the VR scenario with low PTI, they were not given the controllers, so that they were not able to change the covering. Similarly, the authors conducted two conditions for the 2D scenarios. Usable responses amounted to 196 participants (52.6% female, Mage = 31.1).

The current research used two 2 (display: 2D vs. VR) \times 2 (PTI: low vs. high) analyses of variance (ANOVAs) and two mediation analyses. Analyses were carried out with SPSS

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Statistics of IBM and the PROCESS macro of Hayes (2018) with the template model 4.

Summary of Findings

The results confirm that display type and PTI are influencing factors for consumers' pleasure and PPR during online-shopping. Specifically, the study supports the predictions of the authors and demonstrates that product presentation in VR offers high potential for triggering positive emotions such as pleasure during online-shopping. Further, findings reveal that high PTI serves as great predictor for pleasure. By combining both factors, product presentation in VR still leads to greater pleasure, though the impact of PTI is ambiguous and should be rechecked. Moreover, concerning the influence of display type and PTI on PPR, the ANOVA indicates that VR and high PTI reduce PPR, but the interaction of both factors does not intensify the risk reduction.

Furthermore, the results demonstrate that SoP is a mediator of high relevance for improving the process of online-shopping, because participants who experienced higher SoP, felt more pleasure and lower PPR. Additionally, the data indicate that VR leads to higher SoP, compared to 2D and therefore, to a more beneficial online-shopping experience. Finally, the mediation analysis also reveals that independently of the effect of SoP, VR leads to higher perceived product risk, compared to 2D.

Key Contributions

The study provides first insights of effects and benefits of VR and SoP in marketing. We have shown that flow and risk theory may be applied to the research question. Specifically, the results support the postulations of flow theory and the similarities of experiences of SoP and flow, since the higher SoP induces greater pleasure.

Furthermore, this study contributes insights to existing literature about product risk by acknowledging the combination of experiencing flow and information processing due to the special relevance of SoP. This is consistent with the observations of risk-reduction processes in context of risk theory. Interestingly, the mediation analysis revealed that independently of the effect of SoP, VR leads to higher PPR, compared to 2D. This differs from previous research findings and provides a comprehensive understanding for virtual experiences, when not feeling present in the computer-generated environment due to the VR application. Furthermore, these results contribute to the field of perceived risk, by highlighting the special relevance of SoP within the context of risk reduction processes. Therefore, the key implication for marketers is to wisely consider, if an investment in VR applications is favorable, since the success depends strongly on its evocation of SoP.

References are available on request.

How Consumers Respond to AR-Based Virtual Try-On When They Are Not Happy About Themselves

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Chan Y. Yoo, Saint Joseph's University

Keywords: *augmented reality, body image, technology adoption, e-commerce*

Description: *This study examines the roles of consumers' perceived body image in shaping their responses in the AR-based marketing program.*

EXTENDED ABSTRACT

Research Question

This study seeks to explore how consumers' perceived body image guides consumers' differentiated responses to AR-based product presentations, compared with the traditional Web presentations. In addition, this study explore how body image comes into play, given two representative media features of AR—interactivity and media irritation—affect consumers' intention to adopt AR both positively and negatively.

H1. Consumers with an unfavorable body image will show a more positive attitude toward the technology in the case of AR than the Web, whereas those with a favorable body image will show the same attitude toward both AR and the Web.

H2. Consumers with an unfavorable body image will show greater intention to adopt the technology in the case of AR than the Web, whereas those with a favorable body image will show the same level of intention to adopt AR and the Web.

H3. Consumers with an unfavorable body image will derive greater media usefulness from AR than the Web, whereas those with a favorable body image will derive an equivalent level of media usefulness across both technologies.

H4. Consumers with an unfavorable body image will derive greater media enjoyment from AR than the Web,

whereas those with a favorable body image will derive an equivalent level of media enjoyment across both technologies.

H5. The effect of interactivity on the intention to adopt AR will be greater for consumers with a favorable body image and weaker for those with an unfavorable body image.

H6. The effect of media irritation on the intention to adopt AR will be greater for consumers with a favorable body image and weaker for those with an unfavorable body image.

Method and Data

A total of 406 college students ($n_{AR} = 183$, $n_{web} = 223$) in the U.S. participated in the online survey to test the proposed hypotheses. After providing agreement to take part in the survey, participants were randomly assigned to either AR or the Web. AR software was obtained directly from a company website and inserted into our online survey. A new website was created that included all the detailed web features such as product images, layout, and payment system copied from the company's website. Participants were asked to identify a particular model of sunglasses they would like to purchase after using either AR or web technology for at least five minutes.

Summary of Findings

The results demonstrated that participants with a negative body image recorded significantly more positive evaluations

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of AR than the website on all measures. Participants with a positive body image did not show any significant differences in evaluations between AR and the website except enjoyment. This finding suggests that, regardless of body image, participants perceive a significantly greater level of enjoyment from AR than from the website. We also found a significant moderating role of body image on the relationship between interactivity and intention to adopt AR, and media irritation and intention to adopt AR.

Key Contributions

Results demonstrated (1) the moderating role of body image in forming consumer evaluations *between* AR and the traditional Web and (2) the moderating role of body image when interac-

tivity and media irritation shape intention to adopt *within* AR. Specifically, our results revealed that participants with an unfavorable body image revealed more favorable attitudes, greater adoption intentions, and greater media usefulness and enjoyment when using AR than when using the traditional Web. However, no significant differences in these measures were found for those with a favorable body image. The finding is a contrast to the conventional view of body image which proposes that a more favorable body image would generate greater interest in body-involving products such as fashion; therefore, such people are likely to prefer AR to the Web because AR projects immediate images of themselves.

References are available on request.

Exploring the Imagination Gap and Beyond: How Consumers Gain Confidence Via Augmented Reality Versus Social Media Influencers

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Rachel Gasparini, Optimizely

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Keywords: *augmented reality, social media influencer, omni-channel retailing, imagination gap*

Description: *This paper examines how mobile augmented reality shopping apps and social media influencers differentially facilitate consumers' consumption practices.*

EXTENDED ABSTRACT

Research Question

Augmented reality (AR) is rapidly becoming an integral part of the marketing mix. However, little is known about how AR can be integrated into omni-channel retailing strategies. The purpose of the current research is thus to examine what value AR provides to consumers vis-à-vis the social media influencer touchpoint.

We strategically chose this comparison not only because of the emerging importance of these marketing channels, but also because both touchpoints offer consumption experiences that are incomplete in their own, opposing, ways: While social media influencers show *actual products* in *contexts that are removed* from consumers' own lives, AR shows *virtual products* in consumers' *own immediate contexts* (Scholz and Smith 2016). Another goal of this research is to go beyond the dominant focus on consumers' intentions and reactions to augmented reality apps. We thus employ practice theory (Reckwitz 2002) to examine how AR and social media influencers differentially facilitate consumers' consumption projects.

In short, this study explores the following research questions: How do mobile AR apps and social media influencers

facilitate consumers' performances of complex practices? And how can these touchpoints instill confidence in consumers that they are capable performers across all three components of the practice (i.e., objects, doings, meanings)?

Method and Data

We explore these research questions through a market ethnography of beauty consumers who use Sephora's mobile augmented reality app (Virtual Artist). Field work consisted of two phases. Phase 1 employed discourse analysis of industry press and social media influencer videos, in-store observations (6 field visits), content analysis of iOS data (3,701 app reviews), and mini-interviews with 31 millennials, mobile-first, female consumers who were asked to use Sephora's mobile AR app for at least four weeks. This served as a preparation for our in-depth interviews in phase 2, during which we conducted a total of 16 in-depth interviews. Depth interviews lasted, on average, 1.25 hours and resulted in 418 1.5-spaced, 12-font pages of field notes.

We purposefully sampled female consumers between the ages of 19 and 23 as they are each nearing the end of their college career, or have recently graduated from college. We only sampled women, due to cultural norms of makeup use

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and app functionality. Our analysis employed a hermeneutical approach. Interpretation and analysis involved multiple rounds of refining and interrelating thematic codes.

Summary of Findings

Our analysis begins by unpacking the practical construction of our informants' makeup looks, highlighting the motivations and barriers consumers navigate in their performances. Next, we draw on the practice circuit (Arsel and Bean 2013) to investigate how augmented reality and social media influencers differentially facilitate consumers' makeup practice through conveying practical and contextual knowledge about products (objects), techniques (doings), and styles (meanings).

Our findings then explore three different "gaps" that augmented reality is able to overcome, providing consumers with additional value than what is provided through social media influencers: The "*constellation-imagination gap*" describes how consumers can use AR to imagine how a certain product might fit into a consumption constellation.

To successfully perform their makeup looks, consumers also need to skilfully execute routines and master emerging techniques. Seeing "exactly" where to apply makeup via the AR app instils confidence in one's own competence through providing objective and immediate confirmation about the successful implementation of a technique, thus closing what we have termed the "*competence gap*."

Finally, the "*sovereignty gap*" describes how AR better enables customers to remain in creative control of their makeup looks. Instead of toning-down the styles presented

by external influencers, consumers amp-up their own looks through rapid AR experimentation.

Key Contributions

This research explores what value mobile AR shopping apps provide for consumers, vis-à-vis the social media influencer touchpoint, by focusing on how consumers use the AR app as they negotiate core tensions in their consumption projects. Our work aligns with several calls made within the mobile marketing (Shankar et al. 2016), retailing (Grewal et al. 2017), and AR literature, as it explores mobile AR experiences from a consumer point of view (Yim, Chu, and Sauer 2017).

By adopting a practice theory approach, we show how AR facilitates various components of consumers' beauty projects. We furthermore contrast AR to the value consumers receive from social media influencers, and we describe the strengths and weaknesses of both touchpoints as consumers negotiate core tensions that arise from performing their practices.

Our analysis shows that neither touchpoint is perfect. Social media influencers provide consumers with important information about the material aspects about products (e.g., whether the formula for a foundation works with a certain skin type), whereas augmented reality helps consumers to imagine a product (e.g., lipstick color) within the context of other products used on their own face, provides them with higher degrees of confidence that they are executing certain techniques competently, and enables them to feel more creatively in control when exploring new styles.

References are available on request.

Understanding Key Factors Affecting Brand Love: A Study of Personalized Ads in Social Media

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Khanh Ngoc Bich Ho, Curtin University

Keywords: *personalized advertising, Facebook, PLS-SEM*

EXTENDED ABSTRACT

Research Question

Does perceived personalization of a brand advertised on Facebook enhance customer perceptions of the brand including consumer brand engagement, brand self-expressiveness, brand love and consumer brand connection.

Method and Data

Out of the sample of 359 responses collected from Amazon Mechanical Turk were 275 completed observations that met requirements.

Partial least squares (PLS) path modeling analysis was employed in this research.

Key Contributions to the Academy (Marketing Discipline) and the Practice (Marketers and Managers)

The findings of the research offer a number of theoretical implications. First, in line with the previous research on traditional media (Baek and Morimoto, 2012; Pavlou and Stewart, 2000; Tam and Ho, 2005), this research lends evidence that perceived personalization plays a role in enhancing customer response to an ad (consumer brand engagement, brand self-expressiveness, consumer brand connection and brand love) on social networking sites. Second, the findings of this research provide further explanation to seemingly contradictory results found in previous research arguing that personalization does not have positive significant impact on customer response (Maslowska, Smit, and van den Putte, 2011). Inconsistencies may exist due to the fact that the authors use actual personalization and manipulate it as 0 versus 1. Nevertheless, perceived and actual personal-

ization is not always the same (Kramer, Spolter-Weisfeld, and Thakkar, 2007). Drawing on the concept of perceived personalization, the current paper has provided insights into the relationship between perceived personalization and customer perceptions of brands.

From a material perspective, this research is the first of the kind implemented in response to the application of new advertising technology as part of integrated efforts between IBM and Facebook to see whether personalization in advertising changes customer's perception about the ads on Facebook. Therefore, the findings of this research provide implications for advertisers and marketers. An ability of online retailers to integrate their ads into a Facebook's user's account has added a new dimension of advertising that is based on customer's interactivity on the Internet.

Adopting technology, online retailers are able to move from push advertising to trust-based advertising that is associated with a number of advantages. Personalized ads are developed on the basis of new technology. For e-retailers who consider choosing a platform to run an effective advertising campaign, Facebook would definitely be considered because the retailers could post personalized ads on the users' Facebook based on their previous online interaction (Aguirre, Mahr, Grewal, de Ruyter, and Wetzels, 2015).

Summary of Findings

The current paper has developed a comprehensive model that captures the relationship between personalized ads on Facebook on customer's responses to the ads. The model was tested using data collected from MTurk. The results

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revealed that all hypothesized relationships are supported. That means personalized ads on Facebook have changed dramatically the ways customers perceive about the ads. Specifically, perceived personalization significantly enhances consumer brand engagement and brand self-

expressiveness which, in turn, each plays a role in increasing consumer brand connection and brand love. Brand love is a driver of consumer brand connection.

References are available on request.

The Impact of Social Endorsement on Joining a Brand's Social Network: Does "Liking" Lead to Buying?

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Tien Wang, National Cheng Kung University

Keywords: *social endorsement, liking a brand, number of likes and reactions, buying*

Description: *This study examines the effect of social endorsement on joining a brand's social network by clicking "like" and how liking a brand leads to buying decision.*

EXTENDED ABSTRACT

Research Question

This study would like to express two research questions as to what leads to liking a brand as well as to what comes out of this behavior and whether it changes customer attitudes and behavior toward that brand.

This study aims to investigate whether social endorsement motivates customers to join a brand by clicking "like" a brand and how liking a brand leads to buying decision.

First, we conceptualize social endorsement as the extent to which online social network users express their positive emotion and intention to what they perceive as good and interesting. Accordingly, liking a brand which friends have clicked "like" and number of "likes and reactions" are established as two factors of social endorsement in the context of online liking and buying behavior. Second, we make an effort in explaining a phenomenon that customers may exert their liking a brand by clicking "like" when they see their friends have clicked the "like" button. This liking behavior may also be replicated under the effect of number of "likes and reactions." Third, we examine how liking a brand improves customer attitude, enhances customer engagement, and strengthens customer brand identification, which in turns leads to buying decision.

Method and Data

Study 1, in form of an offline survey, is to test whether Facebook users express that they like a brand when seeing their

friends have clicked "like" and based on the number of likes. This study is also an attempt to identify which product categories and brands Facebook have liked more, which helped with the experimental design for study 2.

Study 2 aims to test research hypotheses. An experiment with a 2 (liking brand by: friends vs. acquaintance) x 2 (number of likes and reactions: high vs. low) between-subject, full-factorial design was conducted. We employed health as category for experimental design. Amazon Mechanical Turk was employed for data collection. After cleaning data, a final sample with 124 responses were used for data analysis.

Summary of Findings

The result of study 1 showed that the respondents tended to click "like" a brand when seeing friends as fans of that brand and when being displayed with number of likes. Further, 81.3% respondents tended to "like" the brand with 500 to 25,000 likes while only 8.9% would "like" a brand with 100 or fewer likes.

The result of study 2 revealed that liking a brand by friends motivates customers to join the brand's social network by clicking "like" that brand. This effect was repeated with number of likes and reactions. However, the moderation role of number of likes and reactions on liking a brand was rejected. Liking a brand reinforces customers' buying intention by enhancing customer engagement, improving brand attitude and strengthening customer brand identification.

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Key Contributions

This study contributes to liking behavior literature in various way. First, this study disclosed that liking a brand by friends and number of likes and reactions influence customers to join a brand community. These two factors emerge as social endorsements, signaling the “liked” brand as a good brand to experience.

Second, this study highlights the strategic role of liking a brand from customers by revealing the positive effects of

“like” button. Click to “like” a brand does not simply express the state of joining a brand’s online social network. Inducing customers to liking a brand becomes a critical social media strategy to motivate customer engagement to the “liking” brand, to change customer attitude, and build strong customer brand identification, which leads to intention to buy products/ services of that brand.

References are available on request.

Impact of Consumers' Motivations and Trust on Attitudes Towards Social Media Marketing and Purchase Intentions

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Keywords: *social media marketing, motivation, trust, attitude, purchase intention*

Description: *The current study attempts to explain the impact of consumers' motivations and trust on attitudes towards social media marketing and purchase intentions*

ABSTRACT

Despite the popularity of social media marketing, companies and e-retailers still lack clear understanding about its effectiveness in terms of influencing consumers' attitudes and purchase intentions. Considering the significance of social media marketing and the lack of understanding about its effectiveness, the present study investigates different factors i.e. motivations and trust that can affect the attitudes and purchase intentions of consumers. For this purpose, a model is developed to understand consumers' attitudes and purchase intentions by integrating Technology Acceptance Model and Uses & Gratifications Theory. The data were collected from 455 Pakistani consumers and structural equation modelling through AMOS 21 was used to test the hypotheses. The results revealed the existence of significant positive relationship between consumers' motivations (perceived ease of use, usefulness, hedonic motivation and empowerment motivation) with consumers' attitudes towards social media marketing. Furthermore, results revealed that utilitarian motivation (perceived ease of use and usefulness) and hedonic motivation significantly influence trust of the consumers on the retailers present on social media. Finally the results confirmed that attitude towards social media marketing and trust on social media retailers has a significant positive impact on the purchase intentions of the consumers. The study has implications for both marketers and practitioners.

INTRODUCTION

The tools of connecting with consumers have changed dramatically in the recent years especially with the emergence of

social media (Bruhn, Schoenmueller, & Schäfer, 2012). The widely accepted definition of social media was given by Kaplan & Haenlein (2010) who defined it as a group of internet based applications built on the technological foundations of web 2.0 which facilitates user generated content. Social media has gained immense acceptance and popularity among masses (Gamboa & Gonçalves, 2014). That is why companies and small businesses are increasingly using social media marketing to reap the advantages of its low cost and high reach (Laroche, Habibi, Richard, & Sankaranarayanan, 2012). Social media marketing is defined as the use of social media to promote a company and its products (Akar & Topcu, 2011).

Social media offers cost effective opportunities to small businesses to promote their products within the confines of their homes and engage in social commerce i.e. encourage consumer purchase behavior either directly through social media brand pages or indirectly from social media mediated environment (Kudeshia, Sikdar, & Mittal, 2016). Lee & Phang (2015) quoted the statistics provided by Kryptonite Digital, 2014 according to which 85% of marketers in Asia are engaged in social media marketing. Pakistan is a progressing Asian country and is categorized as one of the fast track Asian countries with increased inflow of foreign direct investments and rapid adoption of new technology like social media (ZenithOptimedia, 2015). According to statistics provided by PTA (2017), Pakistan has experienced a significant ascending slope of internet users. Moreover, social media is increasingly used by the people of Pakistan in their daily lives (Ahmad, Mustafa, & AhsanUllah, 2016). All these facts have attracted the attention of different companies in Pakistan to tilt their eyes towards social

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media marketing (Euromonitor, 2014).

However despite the fact that social media is being used as a highly popular platform for promoting products and service, companies still lack clear understanding about the effectiveness of their social media marketing strategies (VanMeter et al., 2015; Kohli, Suri, & Kapoor, 2015). As stated by Hew, Lee, Ooi, & Lin (2016) and Zhang, Lu, Gupta, & Zhao (2014), understanding consumer behavior in the context of social media marketing i.e. social commerce is still a sparsely researched area which requires research interrogation. One way to determine the effectiveness of social media marketing strategies is to understand consumers' attitudes towards it (Lee & Hong, 2016). However, marketers are still not able to understand consumers attitudes towards social media marketing both in the developed countries of the world as well as the developing countries including Pakistan (Zhang & Mao, 2016; Dao, Le, Cheng, & Chen, 2014). Therefore this study aims to address these gaps and presents a comprehensive model of understanding consumer behavior by integrating Technology Acceptance Model and Uses and Gratifications Theory.

THEORY AND CONCEPTUAL DEVELOPMENT

Technology Acceptance Model was introduced by Davis (1986) and is an adaptation of Theory of Reasoned Action. TAM has been regarded as suitable framework because of the aptitude of the model to explain the adoption of many new technologies and online technologies in particular (Constantinides, 2014; Lorenzo-Romero & Constantinides, 2011). TAM has been validated over a wide range of systems like website usage and with respect to online retailing (Childers et al., 2001), use of web 2.0 services (Sheng, 2012), intention to use blogs (Liao, To, & Chuang-Chun, 2013) and the general adoption behavior of people with respect to different social media channels (Rauniar, Rawski, Yang, & Johnson, 2014). Uses and Gratification theory is a paradigm emerging from the classical mass communication research that serves to provide insights about individual use and choice of media (Katz, Blumler, & Gurevitch, 1974). This theory not only explains the underlying needs and motives of consumers but it has also been used to explain the subsequent attitudinal and behavioral outcomes with respect to the use of different media (Zolkepli & Kamarulzaman, 2015; Lee & Ma, 2012). Uses and Gratifications Theory has evolved in terms of using this theory with respect to the commercial aspects of media like advertising (Dunne, Lawlor, & Rowley, 2010), online shopping (Kim & Eastin, 2011), customer relationship management on social media (Men & Tsai, 2012) and word of mouth behavior (Lien & Cao, 2014)

Perceived usefulness is considered to be a form of extrinsic

motivation and indicates that a medium can be useful to anyone to achieve a particular result and is concerned mainly with perceptions of the functional outcome as a consequence of technology usage (Lin & Lu, 2011). It has been found to a key determinant of consumers' attitudes towards 3G technology (Huang, Lin, & Chuang, 2007), smart watches (Kim & Shin, 2015) and the general adoption of social media sites like Facebook (Rauniar et al., 2014). In this study, perceived usefulness refers to the utility of social media marketing in the form of brand pages and advertisements to help the consumers make rational purchase decisions. Perceived usefulness has been found to have a significant impact on attitudes of the consumers towards SMS advertising in America and Korea (Muk & Chung, 2015). Lack of utilitarian benefits like perceived usefulness of a corporate social media profile is one of the main reasons that limit the success of an online strategy of travel companies (Bilgihan, Barreda, Okumus, & Nusair, 2016). So keeping in view the above facts, it is assumed that consumers would develop favorable responses towards the marketing content different retailers on social media if they perceive this content to be useful in terms of helping them make rational purchase decisions.

H1: Perceived usefulness significantly influences attitudes of the consumers towards acceptance of social media marketing.

Perceived ease of use refers to the cognitive efforts exercised by individuals to understand and utilize technology (Venkatesh, 2000). Zhang & Mao (2008) concluded that perceived ease of use of SMS advertising significantly influences attitudes of young Chinese consumers towards SMS advertising, whereas in another study Muk & Chung (2014) identified insignificant relationship between perceived ease of use and attitudes of the consumers towards SMS advertising for American and Korean consumers. With respect to the general usage of social media channels like Facebook and Twitter, consumers view these channels to be easy to use (Biswas & Roy, 2014). Based on the previous literature, it is assumed that if social media advertisements and brand pages are perceived as easy to be understood by consumers and do not entail complicated mental processing then it would significantly influence their attitudes towards acceptance of social media marketing.

H2: Perceived ease of use significantly influences attitudes of the consumers towards acceptance of social media marketing.

Hedonic motivation also known as entertainment motivation addresses numerous gratifications such as getting diverted from routine issues, emotional relief, relaxation, aesthetic en-

joyment and passing time etc. (Muntinga, Moorman, & Smit, 2011). As e-commerce businesses started receiving attention from the academicians and researchers it was realized that in order to be successful it is necessary to provide stimulation and pleasure to the consumers in the online environment as web is not just used for fulfilling the utilitarian needs of the customers but it is being increasingly used as a place for entertaining experiences that can satisfy the hedonic needs of the consumers (Ganesh, Reynolds, Luckett, & Pomirleanu, 2010). The fundamental reason as to why the hedonic shopper love to shop is not based on obtaining the product but rather it is about the derived enjoyment which it takes from the overall shopping process itself (Lin, Gregor, & Ewing, 2008). It is assumed that if companies succeed in providing entertainment to the consumers by fulfilling their needs of enjoyment then it would help in developing positive attitude of the consumers towards social media marketing.

H3: Hedonic motivation has a significant positive influence on attitudes of the consumers towards acceptance of social media marketing.

In the technology embedded world today, consumers have extended information capabilities and broader freedom which are leading towards consumer empowerment (Broniarczyk & Griffin, 2014). The empowerment motivation revolves around the individuals to utilize online media to exercise their impact or power on other individuals or organizations (Muntinga et al., 2011). Through social media consumers can amplify their voices across the globe through personal computers, cell phones and other electronic gadgets (Labrecque, Vor Dem Esche, Mathwick, Novak, & Hofacker, 2013) therefore, the marketers on social media through their online social media communities can help in satisfying this need of the consumers where consumers know that whatever they write would be gone through the eyes of other consumers. Since the consumers have large number of different retailers on social media and the competition among the retailers on social media is getting tougher (Kim & Ko, 2012), therefore, it is assumed that these retailers need to take into consideration whatever improvements in products and services are suggested by consumer in order to positively influence attitudes of the consumers towards their marketing. So the fourth hypothesis is formulated as:

H4: Empowerment motivation has a significant impact on attitudes of the consumers towards the acceptance of social media marketing.

Trust acts as a significant factor to affect the purchase intentions of consumers (McKnight, Choudhury, & Kacmar, 2002). Although importance of trust has been greatly highlighted in

the marketing literature but there are still insufficient studies to explore the role of trust in the context of social media marketing (Lu, Hirschheim, & Schwarz, 2015; Luna-Nevarez & Torres, 2015). So it is assumed that like other online transactions where trust is vital for purchase intentions (Hans, Verhagen, & Creemers, 2003), the transactions that are initiated through social media requires consumers' trust on retailers operating in social media in order to successfully complete transaction.

H5: Trust on the social media retailers significantly influences the purchase intentions of consumers.

Gefen, Karahanna, & Straub (2003) studied the effect of PEOU on trust in a field study of online shopping. They found that the PEOU has a positive influence on trust because the PEOU can help promote customers' favorable impressions of e-vendors in the initial adoption of on-line services and further, causes customers to be willing to make investments and commit to the buyer-seller relationship. According to Kaihong (2012) if online shopping skills are too complicated, needing high expected learning cost, consumers will not show much enthusiasm to online shopping. Applying the above arguments and adding to the current body of literature it is assumed that if advertisements and brand pages on social media are designed in such a way that are easily understandable by the consumers then consumers will show trust towards the retailers promoting their products through social media.

H6: There is a positive relationship between perceived ease of use and trust towards the retailers on social media.

Consumers generally show more enthusiasm to online shopping if they perceive an online shopping website to be useful (Kaihong, 2012). Processes explained well are well understood by the customers that results in their trust in business transactions online (Cho, Kwon, & Lee, 2007). Applying the above facts in social media marketing, it is assumed that if the retailers succeed in providing usefulness value to customers then consumers will trust the retailers.

H7: There is a positive relationship between perceived usefulness and trust towards the retailers on social media.

With respect to the hedonic motivation, several studies evaluating the relationship between perceived entertainment and trust have suggested that the tone of the site, its mood, and its design were the principal factors influencing the formulation of trust (Kesharwani & Bisht, 2012; Kim et al., 2010). Applying this in the context of social media marketing, it is assumed that if consumers perceive that retailers or brands on social media provide enjoyable experience to them through their brand

pages or advertisements then consumers would develop trust towards the retailers.

H8: There is a positive relationship between hedonic motivation and trust towards social media adoption for shopping.

Attitude refers to the consumers' favorable or unfavorable evaluations about anything in order to perform a behavior (Kim & Chung, 2011). Various studies support the existence of positive relationship between attitudes and purchase intentions (Lee, Lee, & Yang, 2017; Xu, 2006). Favorable consumer attitudes with respect to a marketing stimulus like advertising are linked with higher brand recalls and higher purchase intent among consumers (Mehta & Purvis, 2006). Therefore the next hypothesis is formulated as:

H9: There is a positive relationship between attitudes of the consumers towards social media marketing and their purchase intentions.

MEASUREMENT OF VARIABLES

Items for measuring perceived usefulness were adapted from Groß (2014), scale for measuring ease of use was adapted from Kim (2012). Items measuring hedonic motivation were adapted from Domina, Lee, & MacGillivray (2012). Items measuring attitude were adapted from Boateng & Okoe (2015) and items measuring purchase intention were adapted from (Wang & Yu, 2012). Items for measuring empowerment were adapted from Tsai & Men (2013). Items for measuring trust were adapted from Van Der Heijden, Verhagen, & Creemers (2003). All items were measured on a seven point Likert scale.

Data Collection: Questionnaires were distributed in different shopping malls of the capital city of Pakistan. Apart from this, web survey method was also used. The link for online questionnaire was posted on Facebook, Twitter and Instagram and Whats App etc. Total of 400 questionnaires were distributed

in the shopping malls and educational institutions. However only 338 were received and 330 were filled appropriately thus reducing the sample size to 330. Through web survey, we got 125 filled questionnaires. So the total sample size was 455 for the final study.

Data Analysis: Results of the demographic analysis revealed that majority of the respondents were female i.e. 250 were female (55.1%) and 205 were males (45.1%). Majority of the respondents were in the age category of 26-35 (36.9%) followed by respondents in the age category of 36-45 (27.7%). Maximum number of respondents had income in the age category of 31 thousand to 50 thousand (36%). Percentage of respondents who were employed was 43% while non-working respondents were 57%.

Convergent and Discriminant Validity: Confirmatory Factor Analysis was conducted in order to test the measurement model. Amos 21 was used. The results of measurement model revealed good fit between the observed data and the hypothesized model with value of $\chi^2/df = 1.79$ and p value = 0.000. The values of RMSEA = 0.04; NFI = 0.927; CFI = 0.968; TLI = 0.964; RMR = 0.087, SRMR = 0.087 all indicate model fitness (Kline, 2005). AVE of each construct was above 0.5 meeting the criteria of convergent validity (Table 1). Divergent validity was also established as the AVE for each construct exceeded the correlation between any pair of constructs (Table 2).

Table 1 Composite Reliability and Convergent Validity

Construct	CR	AVE
PEU	0.917	0.688
Trust	0.885	0.609
PI	0.915	0.683
PU	0.888	0.619
ATTSM	0.961	0.86
EM	0.846	0.581
HM	0.822	0.546

Table 2 Discriminant Validity

	1	2	3	4	5	6	7
1 Perceived ease of use	0.83						
2 Trust	0.208***	0.78					
3 Purchase Intention	0.253***	0.747***	0.826				
4 Perceived Usefulness	0.381***	0.248***	0.285***	0.786			
5 Attitude towards Social Media Marketing	0.534***	0.231***	0.406***	0.399***	0.928		
6 Empowerment Motivation	0.182***	0.076	0.199***	0.076	0.343***	0.762	
7 Hedonic Motivation	0.285***	-0.011	0.118*	0.159**	0.388***	0.193***	0.739

Note: Significance of Correlations: † $p < 0.100$ * $p < 0.050$ ** $p < 0.010$

Structural Model: In the next step, the hypothesized relationships between the variables were tested. Based on the results H1 was accepted ($\beta=0.352, t=7.505, p<0.05$), H2 was also accepted ($\beta=0.217, t=4.791, p<0.05$), H3 was accepted ($\beta=0.211, t=4.678, p<0.05$), H4 was also accepted ($\beta=0.202, t=3.608, p<0.05$). H5 was accepted ($\beta=0.700, t=14.785, p<0.05$), H6 was accepted ($\beta=0.206, t=2.408, p=0.016$), H7 was accepted ($\beta=0.153, t=2.716, p<0.05$), However H8 was rejected ($\beta=-0.079, t=-1.472, p<0.141$). Hypothesis H9 was accepted ($\beta=0.259, t=6.982, p<0.05$). Figure 1 presents the results in the context of the conceptual framework.

Discussion, Implications and Limitations: The previous researchers have called to understand consumer psychology in terms of their motives that affect attitudinal and behavioral outcomes but lack of empirical studies on this topic presented a need to explore this high trending topic in depth. In this regard, the present study contributes to the existing body of literature by providing new and useful insights about the nexuses among consumers' motives, trust, attitudes towards social media marketing and purchase intentions. This study contributes in the current body of literature to understand consumers' attitude towards social media marketing and their purchase intentions by integrating TAM and Uses and Gratifications Theory. The results depict that all three types of consumers' motivations in the current study play significant role in affecting attitudes

of the consumers towards social media marketing. The results proved positive impact of perceived usefulness, ease of use and hedonic motivation on trust towards the retailers on social media. Attitude towards social media marketing and trust have a positive relationship with purchase intentions of the consumers. This study provides different contributions to managers. Firstly, as it has been repeatedly mentioned in the literature that marketers either in the developed countries of the world like US and Canada and developing countries like India, Bangladesh and Pakistan still lack understanding about either their social media marketing strategies are successful in influencing consumer behavior (Zhang & Mao, 2016; Chowdhury, 2016; Ernst and Young, 2014). In order to fill this gap and help the marketing managers to better understand consumer behavior in social media setting, this study has presented a comprehensive and novel research model. This study has used Technology Acceptance model and on the basis of the results, the findings provide pragmatic insights to the marketing managers. This findings imply that perceived usefulness increases consumers' receptivity towards products promotions on social media. Therefore marketers should focus on increasing perceived usefulness by providing useful and updated information about products to consumers. Perceived ease of use also plays significant and marketers need to make sure that their advertisements are clear and understandable by consumers on social media and their brand pages are convenient to use in order to find the desired products.



Figure 1. Conceptual framework, * $p<0.01$, ** $p<0.05$, *** $p<0.001$

Since hedonic motivation also plays a vital role in affecting consumers' attitudes towards social media marketing, therefore the marketers should provide enjoyable experience to consumers by designing ads having emotional appeals and uploading entertaining content like visual appealing pictures and videos of products on social media brand pages (Zhu & Chen, 2015). Marketers need to take into consideration that social media empowers consumers as they can talk to other consumers and can demand service excellence from companies. If consumers are not satisfied with products and services of companies then they can use social media channels to express their opinions to millions of other people through social media as was experienced by United Airlines (Fournier & Avery, 2011). So if consumers' queries are answered on time and their suggestions are incorporated to improve products then it would positively influence consumers' attitudes towards acceptance of social media marketing of different retailers present on social media. Attitude shapes the purchase intent of consumers so marketers need to try their level best maintain favorable thinking of consumers towards social media marketing like as discussed in the study attitude is positive when consumers perceived social media marketing to be useful, easy to understand, entertaining and when they feel that their empowerment needs are fully met. Trust has a very significant role in affecting purchase intentions of the consumers. This means that retailers need to be honest in their dealings to increase consumers' purchase intentions. The study has included purchase intentions in the model as high purchase intention is considered as a sign of successful e-tailing operations (Dao, Le, Cheng, & Chen, 2014b). So marketers need to pay consideration to foster positive consumer attitude towards social media marketing and trust as both these variables are highly influential in terms of affecting purchase intentions of the consumers. Trust has a very significant role in affecting purchase intentions of the consumers. This means

that retailers need to be honest in their dealings to increase consumers' purchase intentions.

However, this study did not capture all types of consumers' motivations in influencing attitudes and trust. Future studies need to take into consideration other relevant types of consumers' motivations with respect to social media marketing like social motivation. Secondly moderating role of demographic variables can be explored in to better understand consumer behavior with respect to each type of demographic variable. Another interesting finding would be to empirically test this model under different cultural contexts in order to validate its applicability. Future studies can be based on different industries as well as reporting cross industry differences. Longitudinal studies might be useful in order to better understand consumer behavior over a period of time.

Research on social media marketing is still at an embryonic stage, therefore, more studies in this field like branding and consumer engagement on social media would provide more research avenues for future researchers. Trust was studied keeping in mind the online setting only, future researches can be carried out by exploring trust in both brick and mortar settings and reporting differences in trust on retailers in both online and brick and mortar settings. Future research can also be based on conducting qualitative interviews from the owners of small businesses that run their businesses through pages developed on Facebook to understand the effectiveness of their social media marketing strategies. This would help the aspiring entrepreneurs to understand the dynamics of social media marketing. This study uses cross-sectional design. In future longitudinal studies can be carried out by researchers. Apart from this, collecting data about actual purchase behavior of the consumers can also provide useful insights to researchers.

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Stand by Me: Escaping the Webrooming Dilemma Through Integrating Product Presentation Tools and Product Reviews

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Keywords: *vividness, interactivity, product presentation tools, product reviews, purchase behavior*

Description: *This research examines how online retailers should design product presentation tools to trigger online purchase intentions while preventing customer migration to competing offline stores.*

EXTENDED ABSTRACT

Research Question

Given the prevalence of webrooming (i.e., searching for products online but purchasing offline) (Ailawadi and Farris 2017), several online pure players (e.g., Amazon) opened physical stores to prevent customers from migrating to competitors. For many retailers this move caused severe financial losses so that they started closing their offline stores (Avery et al. 2012). Instead, they invest in product presentation tools (PPT; e.g., product configurators) in their online shops to provide compelling information by simulating physical product inspection and enabling better purchase decisions. Although prior research has shown that PPT drive online purchases (e.g., Fiore, Jin, and Kim 2005), there is no knowledge on whether they keep customers from switching to the offline channel. This research closes this gap by comparing the effects of two constituting PPT design characteristics – vividness (i.e., richness of information representation; Li, Daugherty, and Biocca 2003) and interactivity (i.e., controllability of product-related content display; Suh and Lee 2005) – on online and offline purchase behavior. This research examines how PPT characteristics should be combined to trigger online purchases while preventing offline channel defection. Moreover, as social influence may compensate for the product intangibility in online shopping, product reviews is considered as a moderator.

Method and Data

The authors conduct a scenario-based experimental study using real-life PPT in online shops. This approach ensures a realistic and natural shopping simulation to establish external validity. The selected tools are frequently used by established online shops and capture the full spectrum of vividness and interactivity. Participants were randomly assigned to one of the PPT by directing them to the product page and instructing them to use the tool to examine the product for some minutes as if they were shopping. The setting focused on two product categories associated with webrooming (eMarketer 2016): digital (consumer electronics) and nondigital products (furniture) (Lal and Sarvary 1999). To capture the moderator “product review integration” the authors consider online shops that had implemented product reviews on their product pages and shops that did not.

Summary of Findings

The findings show that highly vivid tools promote online purchases. This confirms the authors’ expectation that vividness provides a realistic product quality representation. Thus, by employing vivid PPT, online pure players can prevent customer migration to the offline channel, making cost-driving offline stores obsolete. As highly interactive PPT may cognitively overwhelm customers they drive customers into the offline channel which results in decreasing revenues

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for online pure players. This undesirable consequence becomes increasingly evident when combining high levels of vividness and interactivity, as the positive effect of vividness on online purchases is undermined by the resource depleting effect of interactivity. However, one promising solution for mitigating the harmful interaction effect of vividness and interactivity is to complement vivid and interactive PPT with product reviews. Product reviews convey authentic product information that generates trust among customers and thus weakens the negative effect of highly vivid and interactive PPT on online purchases.

Key Contributions

First, by taking on the multi-channel perspective, the authors expand previous research on PPT, which merely focused on online channels. Specifically, the results show that the right combination of vividness and interactivity can avoid the webrooming dilemma without the need for costly store openings. High vividness keeps customers in the online channel, while high interactivity pushes them into the offline

channel. Second, the study advances the discussion on whether the interplay of vividness and interactivity has synergistic or dissynergistic effects. The findings demonstrate that overloading tools with both characteristics leads to undesirable consequences for online pure players (i.e., pushing customers into the offline channel and aggravating the webrooming dilemma). Third, the study explores whether the impact of retailers' technology design decisions can be affected through social influence. The authors find that enriching the information provided by PPT with customers' product reviews offsets the negative consequences of the interplay between vividness and interactivity on online purchasing. Thus, authentic customer-generated information contained in product reviews can help making informed purchase decisions online thereby locking customers in the online channel. Consequently, the findings offer precise guidelines for online pure players regarding the design of PPT to prevent the webrooming dilemma.

References are available on request.

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Green Products and Eco-Friendliness: The Effect of Product Color on Consumer Evaluations

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Keywords: *green product, eco-friendly product, consumer decision-making process, product color, packaging, eco-friendly claims*

Description: *This study examines consumer attitudes towards environmental claims on products by using a low-involvement product and investigates how the different product claims (verbal) and colors affect their decision-making process.*

EXTENDED ABSTRACT

Research Question

Today, increasing concerns about the environment are causing consumers to change their purchasing criteria greatly. Although green products may be popular with some consumers, many do not make the ultimate purchase decisions until they are actually in the store. This suggests the significance of product attributes in the context of in-store communications. Despite this importance, prior literature largely fails to consider how product claims and colors might affect the success of products, especially environmentally-friendly ones. In this context, the importance of product and packaging design as a vehicle for communication is growing in markets for environmentally-friendly products. The overall purpose of this study is to take the first step to understanding consumer attitudes towards environmental claims by using a low-involvement product, dishwashing liquid, and determining how the different product claims (verbal) and the product color affect their decision-making process. Specifically, this study investigates the role of two types of green claim elements in products, environmental verbal statements on the packaging and the visual component of the product itself (i.e., green color), on participants' attitudes towards the product, perceptions of the product's environmental friendliness, and their behavioral purchasing intent. Thus, the paper has both practical and theoretical potential.

Method and Data

The research utilized a 2 (Claim: Eco-friendly or Ultra Clean) x 2 (Color: Green or Yellow) between-subjects experiment to understand how product visual elements can affect buying decisions of consumers by varying product attributes on a bottle of dishwashing detergent. Two analogous colors, green and yellow, were chosen as product colors. Analogous colors sit next to each other on the color wheel and they are considered "related" so they do not stand out from one another. Additionally, these two colors also sit next to each other in the bottom of the U-shaped color relationship diagram that displays color wavelengths and evoked arousal levels. Thus, these two colors were good fits as the visual attributes.

One hundred and twenty-four undergraduate students were recruited (57% males, $M_{\text{age}} = 21$) for the purpose of this study. Participants were randomly assigned one of the experimental conditions. After being exposed to the stimuli, the participants were asked to indicate their level of agreement for a number of measures using a 7-point disagree/agree scale. These measures included perceived environmental-friendliness, color-product fit, and attitude-related questions. In addition to these dependent variable measures, we had two statements measuring manipulation check for the claim independent variable.

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Summary of Findings

The results show that green color elicits better attitudes than a non-green color because these products are perceived as being more environmentally-friendly. So, perceived environmental friendliness of the product mediates the effect of color on attitudes, such that the presence of color has an indirect effect on the perceived greenness of the products. The results also demonstrated a significant interaction between color and claim of the products. Specifically, for eco-friendly claim, color-product fit was significantly higher for green products than non-green products. However, for performance claim, the results did not show any difference in terms of color-product fit.

Overall, the results showed that for environmentally-friendly products, there is a necessity for visual congruity among the product's environmental color, stated claims, and purpose; combined they influence consumers' product attitudes positively as a result of greater perceptual fluency. In the current study, the perceptual fluency became greater when the product was green with a displayed eco-claim. As a result, potential consumers developed more positive attitudes towards the product. Therefore, it can be concluded

that congruent environmental, color-product combinations (or color-product fit) are processed more fluently and positively and, as a result, are evaluated with more positive attitudes, than incongruent combinations.

Key Contributions

Study results suggest that consumers perceive the green verbal and visual elements on products more positively when they are used together and respond with greater purchase intentions and more positive product attitudes. The study has also demonstrated that there is a necessity for visual and verbal congruity between the use of green color for products and claims, which also influences consumers' purchase intention and attitudes positively.

This study is the first to look at the actual product color (the dishwashing liquid; not the packaging) as green vs. non-green color that has not been investigated previously. The findings can be directly used by product designers and marketers in developing attractive product designs, advertising, and other marketing communication tools.

References are available on request.

Contagion and Product Physicality: A Study of Consumer Response to Recycled-Content Products

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Robin A. Coulter, University of Connecticut

William T. Ross, Jr., University of Connecticut

Keywords: *contamination, contagion, physical contact, recycled-content products, product physicality*

Description: *Our paper studies how product physicality and prior history of product materials might affect consumer purchase of recycled-content products.*

EXTENDED ABSTRACT

Research Question

The purchase of recycled-content products poses dilemmas for consumers. On one hand, consumers may want to preserve the environment and adopt recycled-content products. On the other hand, consumers can be concerned about the origins of recycled-content products and the potential contamination resulting from prior use. Interestingly, despite the rising recycling rate among consumers currently, consumption of recycled-content products does not always follow the same pattern. Products made from recycled materials often face low market demand, negative consumer attitudes, and perceived inferiority. We focus on understanding how product physicality and prior history of recycled-content products might affect consumer perceptions and consumption of recycled goods. Specifically, we attempt to answer the following questions about consumer perceptions of recycled-content products using contagion theory. To what extent do consumers devalue certain recycled-content products, but appreciate others? To what extent do consumers perceive an essence transfer from old materials to new products—that is, would a recycled-content product inherit some internal characteristics or properties from its original materials? What product factors amplify or dampen a perceived essence transfer in a current consumption context?

Method and Data

To test our hypotheses, we conducted two survey experiments ($N_1 = 132$; $N_2 = 326$). Textile recycling (i.e., recycling of linen products) was chosen as the context because it enabled us to identify: (1) a more (vs. less) desirable supplier of materials—a 5-star hotel (vs. a 2-star hotel); (2) recycled source material with more (vs. less) previous body contact—bed sheets (vs. curtains); (3) recycled products with more (vs. less) physical body contact with the consumer—winter gloves (vs. pot holder). From a managerial perspective, it is also notable that recycling of linen products becomes important because of growing expenditures on textile wastes (e.g., U.S. spent \$523 million landfilling textile waste in 2013). After reading a cover story about textile recycling, participants completed several measures including purchase intention toward recycled-linen products.

Summary of Findings

The findings indicate that consumers engage in a contamination-oriented thinking process when purchasing recycled-content products that are associated with a negative context (i.e., contamination or transfer of undesirable essence). As predicted, participants were more likely to purchase recycled-content products made with materials from a more (vs. less) desirable source. Our results suggest that disgust is a key

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mechanism underlying consumer reluctance to purchase recycled-content products. This contamination effect was independent of the effect derived from consumer perception of the quality of the recycled materials. More importantly, our analysis shows that the physicality (e.g., forms, intended degree of contact) of both recycled-content products and recycled materials significantly affects consumer purchasing intention. Particularly, participants were more likely to purchase recycled-content products made with recycled materials that had less (vs. more) contact with others. Similarly, participants were also more likely to purchase recycled-linen products that would incur less (vs. more) physical contact with their bodies.

Key Contributions

Prior research has suggested that consumers are both more repulsed by and critical of recycled-content products than other conventional products. We attempt to understand these attitudes through the theory of contagion. Supporting prior findings, we showed that the contamination effect could

explain consumer negativity toward certain recycled-content products. Our research contributes to the existing marketing literature in several ways. First, whereas most of the past literature has assumed that the contagion effect is insensitive to the degree of physical contact, we have demonstrated that consumer perception of contamination and purchasing intention do vary with a slight change of physical contact. For example, we showed that the small difference of physical contact between wearing a pair of gloves versus using a pair of potholders facilitated different degrees of disgust among consumers. Second, we have explored how aspects of a product's physicality such as forms may influence the magnitude of the contagion effect. We expect that business managers and policy makers may find our research helpful because we have identified potential ways to manage consumers' response to recycled-content products through the amount of perceived essence.

References are available on request.

The Organic Acquisition: The Moderating Role of Brand Positioning on the Effects of Organic Food Labels

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Keywords: *Whole Foods Market, USDA organic label, perceived healthfulness, purchase intentions, perceived organicness, Amazon Inc., brand spillover, spreading activation theory*

EXTENDED ABSTRACT

Research Question

On August 28th, 2017 Amazon Inc. acquired Whole Foods Market. Amazon is a world-renowned internet retailer, whereas Whole Foods Market is a food retailer best known for its natural and organic food products and featuring foods that are free of artificial preservatives, colors, flavors, sweeteners, and hydrogenated fats. How will the \$13.4 billion acquisition impact Whole Foods Market shoppers? Specifically, will customers still feel that Whole Foods Market products are organic?

Method and Data

The study is a 2 (Organic labeling: label absent vs. label present) \times 2 (Retailer positioning: discount brand vs. organic brand) between-subjects design. One hundred and twenty-nine undergraduate business students ($M_{age} = 20.79$, $SD = 2.09$; female = 50.4%) enrolled at a major university participated in this study. A full-factorial MANOVA, revealed a significant main effect of the organic claim (Wilks' Lambda (λ) = .67; $F_{2, 124} = 30.49$, $p < .001$). This multivariate effect is attributable to the univariate main effects of the claim on inferred product healthfulness ($F_{1, 125} = 7.75$, $p < .01$) and organicness ($F_{1, 125} = 61.45$, $p < .001$).

Key Contributions

Past literature on consumers' food-related inferences (Andrews et al. 2000; Andrews et al. 1998) have looked into

how several food attribute related inferences are drawn from certain claims made on food products (Berry, Burton, and Howlett 2017). This research extends this literature by introducing a key moderator, namely brand positioning. The findings of this research offer key managerial insights that are likely useful for food retailers, food manufacturers, and retail brand managers. First, these results show that organic claims are more influential for low-price retail brands than organic retail brands. Further, our findings will allow marketers to devise more effective communication strategies, thereby maximizing positive exposure of aligned promotional messages with retail brand positioning.

Summary of Findings

This study offers some preliminary insights regarding the role of retail brand positioning and organic claims made on products offered at specific retailers. The presence of an organic claim on a product will cause consumers to infer that the product is more organic and healthful. Inferred organicness and healthfulness, respectively, will serially mediate the retailer brand positioning \times organic claim interaction on purchase intentions.

References are available on request.

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Issues, Attitudes, and Social Distance: Shaping a Policy Perception Framework

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Keywords: *public policy, attitudes, third-person perception, social distance corollary, conceptual framework*

Description: *Based on a theoretical foundation including third-person perception, social distance, and elaboration likelihood, a conceptual model that links message processing and perceptual effects is proposed that examines how consumers perceive a potential public policy. The resulting two-stage, dual-process model accounts for initial attitudes toward the policy, deliberation on who is affected by the policy and who benefits from it, and the resulting attitude formation and potential behavioral intention.*

EXTENDED ABSTRACT

Research Question

How do individuals process information related to public policy in the formation of attitudes toward the policy and, ultimately, behavior related to its implementation?

Key Contributions

The proposed policy perception framework can be tested empirically through research that yields fruitful marketing strategies for political marketing practitioners, policy makers, supporters and opponents of proposed policies in an effort to improve marketing and the implementation of policy that is supported or opposed by the people. Research on the proposed policy perception framework could include development and exploration of two matrices – one for positive attitude and one for negative attitude – to determine who should be targeted based on how likely their attitudes and beliefs can be affected by persuasive communications.

Summary of Findings

One's attitude and beliefs in support or opposition for a public policy is directly related to three variables:

1. Whether the implementation of the policy is viewed as positive or negative.
2. The relation one has to whom is perceived to be impacted (self, others known, others not known) by implementation of the policy.
3. The relation one has to who is perceived to benefit (self, others known, others not known) by implementation of the policy.

As an individual considers those three variables, it is possible the order may change between consideration of the second and third variables. That is, individuals may consider who benefits from policy implementation before they consider who is impacted by the policy. Political marketers must understand how the electorate process public policies in order to generate support, or opposition, for an initiative.

References are available on request.

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An Empirical Examination of WIC Participants' Time Pressure Redemption Behavior

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Keywords: *WIC program, fruits and vegetables redemption, time pressure, low-income consumer*

Description: *By analyzing the profiles and shopping records of over 150,000 WIC participants in Virginia, this study empirically examined the relationship between time pressure and WIC participants' benefit redemption behavior.*

EXTENDED ABSTRACT

Research Questions

Although the WIC program has played an important role in reducing food insecurity and improve women's and children's health outcomes, little research has been conducted on the WIC program from the marketing and consumer research perspective. To fill in the above gap, this study attempts to examine the effect of time pressure on WIC participants' redemption behavior.

Method and Data Used

The data obtained from Virginia Department of Health Services (VADHS) include Virginia WIC participants' profile data and their real-time EBT redemption data. Two models were employed to conduct the analysis. The first one (Model 1) divided each benefit cycle into three sub-cycles and the second one (Model 2) divided each benefit cycle into four sub-cycles. The dependent variable used is percentage of redeemed amount in each sub-cycle to the total benefits in that cycle. We used the generalized least squares (GLS) technique to estimate our models.

Summary of Findings

We found a curvilinear relationship between WIC participants' redemption behavior and time point pressure from two different models. The impact of time pressure is more intense for WIC participants if they have unredeemed benefits before the ending day of the benefit cycle. In addition, variables such as family structure change, marital status and ethnicity significantly moderate the relationship between WIC participants' time pressure and redemption behavior.

Key Contributions

This study made a unique contribution to the literature on food insecurity and food support programs. In this study, we employed Virginia WIC participants' EBT transaction data for a whole year and objectively examined WIC participant's redemption behavior pattern under time pressure. Our findings will provide methods and evidence to further explore the health and cultural preferences of WIC recipients.

References are available on request.

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Environmental Sustainability and Public Policy Compliance: A Study of the UK's Single-Use Bag Charge Policy

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Keywords: *prior knowledge, environmental behavior, policy compliance, information receptivity, UK's single-use bag charge policy*

Description: *Investigating knowledge, attitudes and behaviors relevant to the UK's single-use bag charge policy*

EXTENDED ABSTRACT

Research Question

How does objective environmental policy knowledge and subjective environmental policy knowledge impact policy-related attitudinal and behavioral outcomes (policy-related information receptivity and policy compliance/behavioral intentions)? Can the extended policy-related Knowledge-Attitudes-Behaviors model proposed help identify consumer segments/clusters useful in promoting “policy products” and what are the marketing implications?

Method and Data

A quantitative survey methodology is employed within the context of the UK's single-use bag charge policy. Data are collected from five hundred and sixty-eight English participants and analyzed via PLS-SEM and clustering analysis.

Summary of Findings

The distinction between objective and subjective knowledge is important for policy-related behavioral outcomes. Objective knowledge is important for policy compliance/behavioral intentions, while subjective knowledge is important for policy-related information receptivity. The more people know (factually correct), the more likely they are to comply as they understand the importance and impact of the policy initiative. While the people who think they know a lot, even if what they know is or is not accurate, will not be receptive to policy information. Three identifiable segments were evident based on the clustering analysis: The Knowledgeable

and Compliant (and according to this policy context environmentalists), who know and think they know a lot about the policy, have positive policy attitudes and are willing to continue to comply, which is also in line with their environmental self-identity and norms; The Unknowledgeable But Compliant (Non-Environmentalists), who have low knowledge, although think they know more than they actually do, but are compliant even though this is not consistent with their identity and see the policy as an inconvenience; and The Unknowledgeable, Non-compliant, But Receptive, who do not know much about the policy even though it has been around for a while, do not comply but are receptive to more information about the policy.

Key Contributions

Firstly, this paper proposes an extended policy-related knowledge-attitudes-behaviors (KAB) model, which: (a) investigates policy knowledge effects on attitudes and behaviors, while distinguishing between objective policy knowledge and subjective policy knowledge (perceptions of one's knowledge); and (b) distinguishes between two behavioral outcomes: policy-related information receptivity and compliance/behavioral intentions. Secondly, this paper aims to identify target segments, which may be more open to related environmental policies (i.e., compliant and receptive), as different approaches may be required in policy implementation and policy advocacy. The idea that governmental bodies and organizations may use marketing tactics

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to promote “policy products,” for example related to securing a future, is not unheard of. Such endeavors would be based on social behavior as a citizen reciprocation contributing to the aims of the government, and public policy marketing could improve implementation and success. Following this perspective, we aim to provide recommendations on

how to market environmental policies to target audiences based on their extended policy-related KAB characteristics, in order to enhance policy success (i.e., compliance and receptivity) as a long-term strategy.

References are available on request.

Offensive Advertising and Its Regulatory Processes in the UK

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Keywords: *advertising regulation, offensive advertising, critical discourse analysis*

Description: *This study critically explores the regulatory processes of offensive advertising in the UK through thematic and critical discourse analyses of offence-based complaints and their associated adjudication reports.*

EXTENDED ABSTRACT

Research Question

The aims of this study are three-fold: (1) identify what not-for-profit (NFP) advertising is actually found offensive, (2) explore how offence and harm are attributed to NFP advertising by complainants and regulators and how the associated organizations respond to the complaints received and formal investigations conducted, and (3) critically examine the power structures across the stakeholder groups involved.

Method and Data

To allow for a longitudinal assessment, we analyze a contained data set of 9,055 complaints made to the UK Advertising Standards Authority (ASA) during a 6-year-period, along with 309 associated adjudication reports concerning offensive and harmful advertising within the non-profit sector. The analysis focuses on the language, and discourse, used by each stakeholder group (namely complainants, the regulator, and the organization whose ad was complained-about) and applies multiple analytical approaches: (1) content analysis, (2) thematic analysis, and (3) critical discourse analysis.

Summary of Findings

Our findings suggest that charities (38%) and issues related to children (46%) are most often complained about. We observe certain disconnects in the discourses across the three

stakeholder groups as well as a very NFP-specific attitude of “the end justifies the means” among the organizations’ justifications and the regulator’s assessments. We argue that the practice of offensive advertising has become institutionalized not only among advertisers and their ad agencies, but in the regulatory institution as well, raising the question of effectiveness of self-regulatory processes. Further, we demonstrate an imbalance in the power structures among the stakeholder groups represented by the ASA’s dominance and industry-favoring approach.

Key Contributions

On the consumer level, by looking for patterns in offensive and harmful advertising complaints, we contribute to the understanding of actual, rather than potential, offense caused by advertising. The understanding of the discourses of the three stakeholder groups helps to contribute to the ongoing debates on the appropriateness, ethics and application of offensive themes, formats, and imagery in non-profit advertising as well as the debates on effectiveness of self-regulation. Finally, we hope that our findings can help decrease instances of intentional offence in advertising and help find solutions to how the NFP sector can best use controversial and potentially offensive execution tactics for the issues they are organizationally concerned about.

References are available on request.

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Firm Sustainability Orientation: Implications of Enviropreneurial and Sociopreneurial Marketing

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Keywords: *sustainability orientation, enviropreneurial marketing, sociopreneurial marketing, firm performance*

Description: *This paper develops a multidimensional perspective to firm sustainability orientation, and empirically examines the diverse effects of different dimensions on firm performance.*

EXTENDED ABSTRACT

Research Question

To date, the strategic marketing literature on sustainability has focused largely on the environment with the concept of enviropreneurial marketing (Varadarajan, 1992) defined as “the confluence of social performance goals, corporate entrepreneurship orientations and marketing strategy by integrating environmental concerns when developing marketing policies and practices” (Menon and Menon, 1997, p. 51). Hence, enviropreneurial marketing bases on the firms need to consider their (natural) environment vis-a-vis their strategy/firm performance, and emphasizes opportunities rather than threats whilst doing so (Varadarajan, 1992; Menon and Menon, 1997). Parallel to it, other areas such as societal marketing (Hoeffler and Keller, 2002, El-Ansary, 1974), social marketing (Andreasen, 1994; Kotler and Zaltman, 1971), and (corporate) social responsibility (Friedman, 1970; Maignan and Ferrell, 2004) take up the social aspects, since sustainability extends beyond environmental issues. Hence, the insights suggest multidimensionality in firms’ sustainability orientation. However, previous research in sustainability orientation has largely neglected the social side of sustainability. We call this complementary approach to sustainability focusing on social issues “sociopreneurial marketing.” Building on this notion, the present study addresses the following research question: What types of diverse dimensions can be identified in firms’ sustainability orientation, and what are the diverse performance implications of these dimensions?

Method and Data

The study builds on a national survey data of 682 firms, combined with objective firm financial data. We analysed the data using a sequence of multivariate methods. First, we implemented exploratory factor analysis (EFA) to explore the general structure of the data in terms of the combined scales of enviropreneurial and sociopreneurial marketing, resulting in a four-dimensional factor solution. Second, a confirmatory factor analysis (CFA) in LISREL (Jöreskog and Sörbom, 1993) confirmed the four-dimensional factor structure. After the factor analyses we used k-means clustering to explore the relationship of individual firms with the identified factors. We addressed the statistical significance of demographic differences between groups using Chi square tests and analyses of variance (ANOVA) with Waller-Duncan tests. We further proceeded to examine the performance implications of the different dimensions of sustainability orientation using structural equation modelling (SEM) in LISREL. For this, we examined the relationships between the different dimensions of the firms’ sustainability orientation and firm performance in terms of (a) profitability, (b) growth, (c) innovation performance, and (d) customer performance, all relative to closest competition.

Summary of Findings

The findings of the study show that not all sustainability initiatives are created equal, and that only certain dimensions

of sustainability orientation bear positive performance implications. Our factor analysis resulted in four distinctive factors, reflecting (1) environmental issues in marketing, (2) social issues in marketing, (3) adhering to market norms as related to all CSR-related issues in marketing, and (4) aiming for “doing the right thing” and adhering to rules and legislation as related to sustainability. Clustering based on this factorial structure identified four distinct clusters, labelled as (1) “Business-as-usuals,” paying least attention to sustainability-related issues, (2) “Responsible reformers,” not caring about industry norms but placing a strategic focus on both environmental and social issues while also showing commitment towards adhering to rules and regulations, (3) “Rule-followers,” mostly focusing on adhering to rules and regulations, and (4) “Do-gooders,” placing relatively equal weight on all aspects of sustainability orientation. These clusters reflect firms’ diverse foci in their sustainability orientations. Furthermore, SEM revealed the performance implications of the different dimensions in sustainability orientation vary greatly (i) across the dimensions, and (ii) across the performance types.

Key Contributions

The theoretical contributions of our study are fourfold. First, we introduce the concept of sociopreneurial marketing to complement the enviropreneurial view (e.g., Menon and Menon, 1997; Varadarajan, 1992), enriching the understanding of the moral considerations that managers have while creating marketing strategies. Second, we establish multidimensionality in firms’ sustainability orientation. Third, we show that firms operating in diverse business environments tend to adopt different foci in their sustainability orientation. Fourth, we shed empirical light on the diverse performance implications of these different foci. More specifically, we show that not all sustainability initiatives are created equal, and that only certain types of foci in sustainability orientation bear positive performance implications (for a critical reviews of this relationship, see also Grewatsch and Kleindienst, 2017; Wagner, Lutz, and Weitz, 2009). In fact, according to our findings, launching sustainability initiatives due to a mere desire to adhere to market norms may even turn detrimental for firm performance.

References are available on request.

Product Recall as a Way of Responsible Behavior of a Firm: The Roles of Cumulated CSR Efforts and Board Characteristics

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Keywords: *CSR, cumulated CSR effort, responsible behavior, voluntary product recall, board characteristics*

EXTENDED ABSTRACT

Research Question

Does a firm, whose reputation has been built upon its cumulated socially responsible behaviors from the past to the present, engage in voluntary recall as a way of responsible behavior? Based on previous findings that product recalls incur financial costs and yield negative outcomes for the recalling firm, we claim that socially responsible firms will take the risk of the negative consequences and recall the defective or harmful products. We hypothesize that firms known for its past CSR performance are more likely to recall defective products when a product-harm crisis occurs. To further reinforce the perspective of viewing product recall as a firm's responsible behavior, we ask another question. Does the relationship between cumulated CSR effort and product recall hold under performance pressure? In addition, we examine how the board of directors' characteristics affect the decisions on firms' recall strategy. Does the characteristics of the board, whether the board members have more stakes in the firm (e.g., being a family member of a founder, holding block shares, having voting power) moderate the relationship?

Method and Data

The hypotheses are tested using Probit regression model with a sample of 592 public firms in the U.S. between 2001 and 2014. The data on firm's CSR engagement is obtained

from MSCI ESG database. Firms' financial and accounting characteristics are obtained from COMPUSTAT database.

Summary of Findings

In this study, we find that the cumulated CSR efforts increase the likelihood of engaging in a voluntary product recall. To further reinforce the perspective of viewing product recall as a firm's responsible behavior, we find that the relationship between cumulated CSR effort and the product still hold under performance pressure. Our findings reveal that the boards who have more stakes in the firm (e.g., being a family member of a founder, holding block shares, having voting power) play a role in increasing socially responsible firms' engagement in the product recall.

Key Contributions

This paper employs a new perspective to view product recall as a way of responsible management of the firm with a record of CSR engagement. Contrary to past literature that has considered product recall as a crisis situation, voluntarily engaging in product recall can be considered as a way of responsible behavior if the firm has a reputation of investing its efforts in accumulating positive corporate social performance.

In addition, given that the responsible behavior is determined by risk propensity of decision makers, we argue that

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board characteristics affect the relationship between cumulated CSR efforts and responsible behaviors. This study examines moderating effect of the board characteristics, which consist of ownership structure, ownership concentra-

tion, and voting power, on the relationship between cumulated CSR effort and product recall.

References are available on request.

Going Green to Sell Brown? Quantifying the Spillover of Green Products on Consumer Attitudes and Umbrella Brand Sales

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Keywords: *sustainability, umbrella branding, spillover, halo effects, signaling, green products, vector autoregressive model*

Description: *This paper quantifies the positive spillover of sustainable green products on the umbrella brand's other ("brown") product sales.*

EXTENDED ABSTRACT

Despite growing consumer attention to the environment, it is still unclear how and how much companies benefit from their large investments in "green" products. This paper quantifies the positive spillover of sustainable green products on the umbrella brand's other ("brown") product sales. The conceptual framework builds on halo effects, signaling and umbrella branding to develop hypotheses on attitude spillover and its conversion to higher brown product sales. The authors test this framework with data on Prius' first eight years of marketing mix, attitude metrics and sales. The vector autoregressive model shows significant improvement from incorporating green product attitude metrics in the sales forecasts for Toyota's other products. Not all brown products benefit from gains in Prius attitudes, only the less expensive brands do so. These results suggest interesting trade-offs between substitution effects and positive spillover effects of green products in an umbrella brand's portfolio.

Research Questions

(1) Does marketing a green product increase consumer attitudes towards the firm's umbrella brand, and (2) to what extent do such changes increase the sales of the umbrella brand's other (brown) products?

Method and Data

Our empirical analysis uses U.S. automobile market data from GfK, which reports consumer attitude metrics, market-

ing (incentives and media spending), sales and gas prices. For the period between January 1999 and December 2008, we analyze six different brands of umbrella brand Toyota, including its green product, the Toyota Prius. Our methodology explicitly tests for Granger causality and relates marketing, mindset metric and sales for the different brands in a dynamic system (multiple-equation) approach.

Summary of Findings

The empirical findings of our analysis provide support for our hypotheses that media spending

for a green product increases not only consumer opinion about itself, but also for the umbrella brand, which helps it sell its other (brown) products. Interestingly, we find these benefits only for the sub brand that is less expensive than the green product—more expensive brown products suffer from cannibalization. Beyond this model-based evidence for the directional effects, we also quantify the magnitude and the timing of such spillover. As to the latter, the peak effects at the same month and at 6-7 months suggest different consumer segments—in line with previous research on different cue utilization for different familiarity groups (Rao and Monroe 1988). As to theory implications, our study demonstrates that categorization theory applies to green products in a marketing setting, and in some cases overcompensates for the substitution effect derived from economic theory. We

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find the expected halo effects, and quantify them for the first time in literature. Our major contribution to marketing metric literature is that mindset metrics do not only increase sales of the (advertised) brand, they also increase sales of other products under the umbrella brand.

Key Contributions

Our findings have important implications for marketing theory and practice. Theoretically, we combined three research streams (halo effect, signaling and umbrella branding) to develop and validate a conceptual framework that can be used by other researchers to build on. Practitioners can also

use the framework and the demonstration of long term spillover effect in order to justify green product investments with additional sales volume that can come from other products. This will reduce “internal” barriers to green product projects. For policy makers and society at large, the demonstrated spillover enriches the issue of the overall environmental impact of green products introduced by for-profit companies. This impact may be less due to the spillover, or even more positive if the benefiting cheaper products are still greener than the vehicles consumers would otherwise have bought.

References are available on request.

Morality, Celebrities, and Brand Endorsements from an Ethical Ideology Perspective

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Keywords: *morality, celebrities, brands, ethical ideology*

Description: *The empirical research examines consumer attitudes toward brands following a scandal involving a celebrity endorser, examined through the lens of the consumers' ethical position, and finds that ethical ideology can change attitudes following a scandal, and the severity of the consequences the brand imposes on the celebrity is a key driver of the consumers' evaluation of the scandal's impact on the brand.*

EXTENDED ABSTRACT

Research Question

How do consumers form their judgments following negative behavior by a brand endorser when considering their own attitude toward the brand?

Method and Data

Two separate 2 x 2 experiments were conducted, the first manipulating severity of consequences for the celebrity involved in a scandal, and the second manipulating moral certainty (i.e. where the results of the scandal were conclusive or not). An online survey collected data from undergraduate students in three North American universities. Ethical ideology was measured using Likert-type scales and respondents were grouped based on where they fell in relation to the mean for idealism, relativism, and ideology. Attitudes toward four brands for each study were measured and used as both independent variables and dependent variables following the manipulation.

Key Contributions

The research provides valuable knowledge about the role of consumers' ethical stance in determining their evaluations of brands and their celebrity endorsers. While previous studies have investigated consumer responses to celebrity endorsement scandals and their negative impact on brand evaluations, the present research considers a key factor: individual

consumers' ethical stance. The research illustrates the value of ethical ideology and suggests that this factor can change brand attitudes in the wake of a scandal. Findings indicate that the severity of the consequences the brand imposes on the celebrity is also a key driver of the consumers' evaluation of the scandal's impact on the brand. Managers must be cautious in terms of how they proceed with imposing consequences on a celebrity and must have an understanding of the moral ideology of their consumer.

Summary of Findings

Study 1 shows that a significant change in attitude toward a brand that imposes severe consequences after a scandal occurs for consumers who are low in idealism and also high in relativism. Under Armour was affected the most by taking a stance on celebrity ethical behavior with consumers who had high ethics reacting the strongest to Under Armour's actions. Total ethical ideology did drive the change in attitude toward Under Armour for those high in that measure, but not for those low in ethical ideology. Nor did that ideology drive any changes in attitudes toward the other three brands. More specifically, the significant change in attitude toward the Under Armour brand after it chose to cancel the endorsement contract following the scandal appears to be driven by those low in idealism and high in relativism, classified as absolutists. In Study 2,

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while all groups saw the Cadillac and Almond Breeze brands equally initially, individuals high and low in ethical ideology saw Titleist and Adidas differently. Specifically, individuals low in ethical ideology who lean toward being exceptionists had a less positive attitude toward the two

brands, while those high in ethical ideology—leaning toward situationists—had a much more positive attitude toward both.

References are available on request.

Attitudes of Gen Y to Advertising Regulation in Australia

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Keywords: advertising, regulations, images, media, Gen Y

EXTENDED ABSTRACT

Around the world advertising comes under some form of regulation, whether self or government regulated, to ensure that it does not offend, mislead or deceive, and that the communicated message is suitable and legal. The most widely used system for regulation in advertising is self-regulation (Boddeyn 1989; Rotfeld 1992; Harker 2004; Waller et al 2013; Shaver and An 2014). Within this system, the advertising industry regulates the communication and conduct of its members by imposing a code of ethics, sanctions for violation of this code, and enforcement procedures to ensure compliance. While this system is not perfect and criticized for being sided too closely to industry, it is preferred to a government regulated system (Parsons and Schumacher 2012). Universally, a member of the general public who is offended by an advertisement can lodge a comment or complaint, an advertiser responds or complies, and the regulator liaises, formulates and, in most cases, enforces determinations. However, studies have shown that younger people have a greater acceptance of offensive advertising (Barnes and Dotson, 1990; Grazer and Keesling, 1995; Waller 2007; Zimmerman and Dahlberg 2008), and, as a result, advertisers attempting to attract younger people use sexual or violent images more often than advertisers hoping to appeal to older people (Bushman and Bonacci, 2002; Reichert, 2003).

The aim of this exploratory study is to add to the discourse on advertising regulations by discovering the views of Gen Y towards whether certain media, advertising images, and ethical/market reasons, effect attitudes towards advertising regulations, based on categories from a regulatory body. The research objectives of this paper are to (1) determine the extent that members of Gen Y (born since 1990) believe certain types of media, images and reasons for regulation should be regulated, (2) establish if there are any underlying factors in the media, images or reasons for advertising regulations, and (3) ascertain whether there are any relationships

between the media, types of images in ads, and the reasons for regulation, and attitudes towards advertising regulations. This exploratory study will contribute to the literature by discerning the links between types of potentially controversial advertising, media, and the reasons for advertising regulation. It is believed that this is the first time that a model has focused on attitudes towards advertising regulations.

Background

Dependent Variable: Attitude towards Advertising Regulations: This variable is based on Pollay and Mittal (1993) which conceptualize the Attitude towards Advertising in general. These items have previously been used in other studies of Aad (e.g., Nan 2006; Tan and Chia 2007). In this study the construct is operationalize to reflect Attitude towards Advertising Regulations using three items: "Overall, I consider advertising regulation a good thing"; "Overall, I like the idea that advertising is regulated"; and "My general opinion of the advertising regulation process is favourable."

Explanatory Variables: Advertisements can be found to be offensive on two different dimensions: offensive products and offensive execution (Barnes and Dotson 1990; Waller 1999). Most studies have concentrated on attitudes towards the advertisement of potentially offensive or controversial products (Waller 1999; Prendergast, et al 2002; Waller, Fam and Erdogan 2005; Sheehan 2013). The variables are:

Types of Media That Should Be Regulated: Radio, Pay Television, Newspapers, Free-to-Air Television, Magazines, Billboards (static), Billboards (mobile), Transport (buses, trains, taxis, etc.), Cinema, Internet Websites, and Internet Social Media.

Types of Advertisements/Advertising Images Should Be Regulated: Discrimination against Children, Discrimination

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against a Person's Race, Discrimination against Women, Discrimination against Men, Stereotyping of a Person's Gender, Stereotyping of a Person's Age, Stereotyping of a Person's Race, Depiction of Drinking Alcohol, Depiction of Drugs, Depiction of Smoking, and Depiction of Gambling.

Reasons to Regulate Advertising: The respondents were given a list of reasons to have advertising regulations based on those in Waller (2016) and Wang, Deshpande, Waller and Erdogan (2017) - To protect society as a whole; To protect moral standards; To protect cultural values; To protect children; To protect minorities; To protect consumers; and To protect competition. Added to this was the reason that the ASB state is its role in that the process is to "ensure consumer trust and protection for the benefit of all of the community."

The respondents were asked to indicate their level of agreement on whether the item is a reason for regulation on a seven-point scale, where 1="Strongly Disagree" and 7="Strongly Agree."

Methodology

To obtain a measure the extent different types of ads/media should be regulated and the reason for regulation, a questionnaire was distributed to a convenience sample of university students in a large urban university in Sydney, Australia. The rationale for using university students as subjects has been a research method practiced overseas for many years, mainly for their accessibility to the researcher and homogeneity as a group (Calder, Phillips and Tybout 1981). A total of 202 respondents studying were sampled (87 male/115 female). The average age of the total sample was 19.9 years old with ages ranging from 18-25 years old, who would be members of Generation Y. The sample is made up of first year students and the questionnaire took approximately 10 minutes to complete and was administered online.

Results

(1) The extent that certain types of media, images and reasons for regulation should be regulated: All items had mean scores above the mid-point of '4', therefore, the respondents felt that all items deserved to be regulated. In relation to attitudes towards advertising regulations, most felt that regulation was a good thing. The image that most deserved regulation was advertising with Discrimination against a Person's Race (5.94 mean), while Stereotyping of a Person's Age (4.97 mean) was the least needing regulation, which is understandable for those in a younger age group. The media that most deserved regulation was Transport (buses, trains, taxis, etc.) (5.15 mean), while Newspaper being the least (4.76 mean). Finally, as for the reasons for the regulation, the most important reason was To protect consumers (5.65 mean), while the least reason was To

protect competition (4.90 mean). As all items were above the midpoint score of '4', it can be assumed that members of Gen Y are still in favor of advertising regulations, which answers objective 1.

(2) Underlying factors in the media, images or reasons for advertising regulations: To better understand these items, a confirmatory factor analysis was undertaken. Only one of the factor loadings (To protect competition 0.6243) was below the recommended level of $\approx .71$ (Fornell and Larcker 1981) which suggests that overall they accounted for a sufficient amount of variance in the latent variable. Convergent validity is established as the Average Variance Extracted (AVE) results are all above the benchmark of .50, suggesting that the items explain more variance in the latent variables than variance due to measurement error (Fornell and Larcker 1981). Reliability analysis reveals that the alpha coefficients and composite reliabilities for our scales are adequate, with no factors having a Cronbach's alpha below .7, and the lowest composite reliability was .85, suggesting good internal consistency in our measures (see Table 1 for indicative factor loadings, alphas, composite reliabilities, and AVEs). The factors for images for regulation are: Discrimination, Stereotyping, and Addictive Products; the factors for media are: Traditional, Public, and Online; and the factors for the reasons for regulation are: Ethical and Market. This answers objective 2.

(3) Any relationships between the media, types of images in ads, and the reasons for regulation, and attitudes towards advertising regulations: Finally, to answer research objective 3, structural equation modeling was performed to examine the relationship between the variables. The measurement properties of the scales were found to be good, which suggest that it is appropriate to estimate and evaluate the structural model. Strong relationships were found between the factors and the main constructs. Regarding the main constructs, of note, there was no direct relationship between the images and their effect on advertising regulations, but there were indirect effects via the reasons and the media. Also, the more respondents believe that the images need to be regulated, the more they feel that ads need to be regulated for ethical and market protection reasons. Further, the more Gen Y respondents feel that advertising should be regulated, the more positive they are towards regulation in general. This answers objective 3.

Conclusion

This is an exploratory study on advertising regulations by observing attitudes of Gen Y in Australia. It observed whether certain types of ad images/media should be regulated, and the reasons why advertising should be regulated, plus the underlying factors in relation to each construct, and ascertained the relationships between the ad images/media

and the reasons for regulation with attitudes towards advertising regulations. While this study found some significant results, this is the first stage of further research on attitudes towards advertising regulation. The current sample was of students aged less than 25 years, and it is intended to broaden the study to have a more representative sample to be able to compare between age groups, gender, etc. An international comparison would also help understand regulation

in the global context, particularly as advertisements are now more available online and can be seen by anyone around the world. As advertising and society attitudes change, it is important to understand the role of advertising regulations and be willing to emphasize the social responsibilities and benefits to the community.

References are available on request.

Green to Be Seen: The Ecologically Conscious Consumer Behavior of Millennials

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Rajesh Iyer, Bradley University

Keywords: *environmental sustainability, status consumption, culture, bandwagon effect, ecological conscious consumer behavior*

Description: *This research examines the relationship between the motivation for status for millennials and their ecologically conscious consumer behavior and the influence of culture and the bandwagon effect in impacting this relationship.*

EXTENDED ABSTRACT

Research Question

This research addresses the following three broad research questions: (i) Does consumers' motivation for status (status consumption) affect their ecologically conscious consumer behavior, (ii) What is the role of culture in the relationship between status consumption and ecologically conscious consumer behavior, and (iii) What is the impact of the bandwagon effect on the relationship between status consumption and ecologically conscious consumer behavior for the cultural variables?

Method and Data

This study surveyed a nationwide sample of millennials (those consumers between the ages of 18 to 35 years old), quota sampled to ensure an ethnic representation for the United States, to test the relationship between the motivation for status and ecologically conscious consumer behavior, along with the cultural variables and the bandwagon effect that impact this relationship. Established scales from the literature were utilized to measure the motivation for status, culture, the bandwagon effect, and ecologically conscious consumer behavior. After the reliability and validity of the measures were established, the hypotheses were tested utilizing regression, PROCESS Model 4 and PROCESS Model 8.

Summary of Findings

Results from the study indicate that status consumption (the motivation to consume for status) has a positive impact on

millennials' ecologically conscious consumer behavior. This research finds that cultural variables have an impact (mediate) the relationship between the motivation to consume for status and ecologically conscious consumer behavior. Specifically, consumer independence, collectivism, long term orientation, power distance and masculinity mediate the relationship between status consumption and ecologically conscious consumer behavior. Finally, the research finds that the ecologically conscious consumer behaviors of American millennials are influenced by the need to fit in, the bandwagon effect, but in a way that allows them to be seen by their peers. Specifically, the findings illustrate that the indirect effect of the bandwagon effect (moderator) on the mediated relationships was significant for the index levels of consumer independence, uncertainty avoidance, long-term orientation and masculinity.

Key Contributions

This research makes a contribution in a number of ways. First, for marketers and public policy makers trying to encourage millennials to behave more ecologically conscious, this research demonstrates that this can be achieved by illustrating how millennials' need for status can be met through ecologically conscious behavior. Second, the results illustrate that even within one country, cultural variables can play a role in mediating the relationship between motivation and behavior. Third, this research replicates Kastanakis and Balabanis' (2012) finding that status motivation needs to

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occur first for the bandwagon effect to impact consumption. Thus, the results suggest that for millennials motivated by status, their ecologically conscious consumer behavior is driven by more than just being another member of the group (as illustrated by the non-significant relationship with collectivism and the bandwagon effect), but as a means to be noticed by their group for their ecologically conscious consumer behavior (as illustrated by the significant relationship

with consumer independence and the bandwagon effect). To encourage millennials' ecologically conscious consumer behaviors, public policy makers should illustrate the role these behaviors can have on millennials being positively viewed by peers, i.e., how millennials can go green to be seen.

References are available on request.

The Influence of Gender Effect on the Determinants of Environmentalism and Sustainability of the Purchase of Non-Meat Alternatives

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Buhle Mlingwana, University of Cape Town

ABSTRACT

Environmentalism and sustainability has developed into a significant global issue due to greater awareness of environmental problems. A questionnaire was undertaken among 253 respondents. Female respondents were shown to attain higher levels of environmental concern, environmental attitude, health consciousness and animal welfare concern on the purchase intention of non-meat alternatives.

Keywords: *environmentalism, environmental concern, environmental attitude, health consciousness, animal welfare concern*

Description: *This paper addresses issues pertinent to socially responsible marketing and environmentalism.*

Introduction

The meat production industry contributes to global warming through increased greenhouse gas levels, deforestation, land degradation, biodiversity loss, and applying increased pressure on input demands (De Boer, Schosler and Aiking, 2017; Macdiarmid, Douglas and Campbell, 2015; Packwood Freeman, 2010; Stehfast, Bouwman, Van Vuuren, Den Elzen, Eikhout and Kabat, 2008; Stoll-Kleemann and Schmidt, 2017). Climate change mitigation policies tend to focus on improving efficiency and innovation in the energy sector, however, the livestock sector receives little attention (Fox and Ward, 2008; Macdiarmid et al., 2015; Packwood Freeman, 2010; Stehfast et al., 2008). Socially responsible marketing employed by organisations engaged in corporate social responsibility is more important as global warming continues to affect the environment. Significant attention has been paid to the motivations behind non-meat alternatives and the bases for this dietary behaviour has been studied, where the justifications have been scarce (Fox and Ward,

2008). The relationship between beliefs, mindfulness and intrinsic ideologies has also been shown to be the most popular motivation for the transition to non-meat diets (Cribbin, Lund, McKeegan and Sandøe, 2016; Fox and Ward, 2008; Lea and Worsely, 2005). However, the impact of environmental concern, environmental attitudes, health consciousness and animal welfare concern on the purchase intention of non-meat alternatives is not yet clear, especially how the gender effect influences this purchase intention. This is largely neglected in socially responsible marketing literature, while organisations are required to be more ethical in their product offerings and their adverse impact on the environment. To provide clarity in this matter, this paper seeks to answer the research question “*To what extent does gender effect influence environmental concern, environmental attitudes, health consciousness and animal welfare concern of the purchase intention of non-meat alternatives?*” This is the first time that gender effect, environmental concern, environmental attitudes, health consciousness and ani-

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mal welfare concern are combined in a socially responsible marketing framework, supported by data from a developing country, enriching the current literature on this subject. Thus, providing new insights into how environmentalism influences ethical consumer and organisational behaviour.

Literature Review

Environmentalism and Sustainability

Environmentalism has emerged as a dominant feature within the broad consumer landscape (Bagdare, 2016; Davis and Francis, 2014; Packwood Freeman, 2010). This was a responsive movement to the current global warming crisis. Human actions have induced the depletion of natural resources, pollution and, ultimately, persistent climate change such as rising sea levels, more extreme temperatures and the threat to multiple ecological systems (Bagdare, 2016; Mainieri, Barnett, Valdero, Unipan and Oskamp, 2010; Tanner and Kast, 2003). However, certain literature argues that environmentalism does not translate in purchase behaviour described through the attitude behavioural gap (Wymer and Polonsky, 2015). Herewith, this paper argues that environmental determinants induce consumer buying behaviour.

Determinants of Environmentalism and Sustainability

Environmental Concern

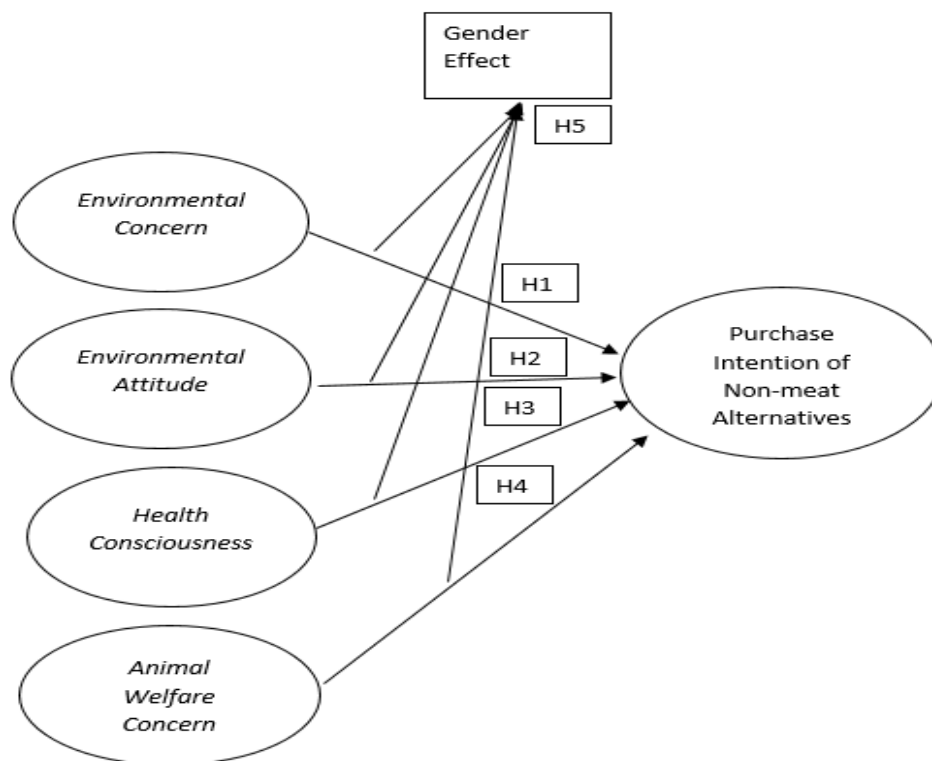
Environmental concerns are founded on several issues, such as water contamination, water quantity, fracking and flow-back fluid storage management, atmospheric emissions, radioactive wastes and induced seismicity (Rivard, Lavoie, Lefebvre, Séjourné, Lamontagne and Duchesne, 2014). Reducing meat consumption is a contested debate on healthy, sustainable diets due to environmental concerns of meat production (Macdiarmid, et al., 2016). The debates lack the impact of gender effects on reducing meat consumptions. Based on the discussion above, the following hypothesis can be formulated:

H₁: Environmental Concern positively influences the purchase intention of non-meat alternatives.

Environmental Attitude

Environmental attitude is an additional component of environmental responsibility that significantly influences consumer purchase intention of meat alternatives (Fransson and Gärling, 1999; Macdiarmid et al., 2015). Positive attitudes toward environmentalism have lead consumers to be more

Figure 1. Research Conceptual Model



knowledgeable about foods' environmental impact against other consumers who have not been as environmentally concerned (Macdiarmid *et al.*, 2015). Public awareness of the association between environmental degradation and meat consumption has been identified as an important factor to measure an individual's willingness to reduce meat consumption (Macdiarmid *et al.*, 2015). It is, therefore, posited that:

H₂: Environmental Attitudes positively influences the purchase intention of non-meat alternatives.

Health Consciousness

Literature has suggested that the motivations behind non-meat alternatives and the basis for consumers' choice of this dietary behaviour has been influenced by their health consciousness (Fox and Ward, 2008; Ruby, 2011). Health consciousness is reported to be the second most common motivation for vegetarianism and environmentally responsible consumption (Ruby, 2011). Such consumers prefer safe, healthy and organic foods and are willing to sacrifice money to maintain this diet (Schifferstein and Ophuis, 1998). Here-with, this leads to the following hypothesis:

H₃: Health Consciousness positively influences the purchase intention of non-meat alternatives.

Animal Welfare Concern

Literature has suggested consumers' animal welfare concern to be a significant motivator of the dietary transition to vegetarianism (Fox and Ward, 2008; Jabs *et al.*, 1998). Ruby (2011) also mentioned animal welfare concern as the concern with the killing of animals, animal rights and a feeling of community and identity with the animal world. These "self-transcendence" values - described by Schwartz (1994) as understanding, appreciation and protection for the welfare of all people and for nature - were found to be positively related to environmentally responsible consumption beliefs (Cribbin *et al.*, 2016; Lea and Worsely, 2005). Therefore, the following hypothesis can thus be formulated:

H₄: Animal welfare concern positively influences the purchase intention of non- meat alternatives.

Gender Effect

Literature reveals a correlation between gender and dietary behaviour (Kiefer, Rathmanner and Kunze, 2005). In this way, differences across gender lines was explored to determine the dietary choices associated with males and females respectively. Studies by Perry, Mcguire, Neumark-Sztainer and Story (2001) and Kubberød, Ueland, Rødbotten, Westad

and Risvik (2002) indicated females were more likely to adopt a vegetarian diet. This is confirmed by Kiefer *et al.* (2005) and Kubberød *et al.* (2002) which highlighted a red meat diet was typically associated with males. Females were shown to attain greater nutritional knowledge, health and environmental concern than males (Perry *et al.*, 2005). Thus, such divergences along gender lines require the inclusion of the following hypothesis:

H₅: There is a difference between determinants of environmentalism of men and women.

Purchase Intentions of Non-meat Alternatives

Consumes want to change their modes of consumption and production to inflict less pressure on the natural environment, thus the purchase intention, adoption and demand for sustainable alternatives is a feature within modern societies (Twinkle and Pakuthariv, 2016). Subsequently, it has been estimated that livestock farming greenhouse gas emissions were greater than the contribution from the transport industry (Joyce, Dixon, Comfort, and Hallet, 2012; Packwood Freeman, 2010). Stoll-Kleemann and Schmidt (2017) found that a non-meat diet could assist in food industry's emission reduction by 55% per person compared to the forecasted dietary predictions in 2050. The livestock sector was a major contributor to water shortage (Joyce *et al.*, 2012). Therefore, the purchase of meat alternatives requires a shift in buying behaviours when non-meat purchases are required. These shifts are immersed in environmental impacts.

Methodology

To answer the research question and test the five hypotheses, a descriptive research was employed using an online questionnaire utilised to attain primary data. The target population also consisted of vegetarian and non-vegetarian individuals, between the ages of 18 and 35. The total sample size comprises 253 valid respondents. A non-probability convenience sampling technique was utilised, based on the relative ease of access to the sample who were easily accessed via social media sites. This method of sampling has also been used in various studies which explore the motives of consumers following a vegetarian diet and their attitudes towards the environment and animal welfare concern (Fox and Ward, 2008). The constructs of this study were measured on a five-point Likert scale, ranging from (1) strongly disagree to (5) strongly agree. *Environmental concern, environmental attitude, health consciousness, animal welfare concern and purchase intention of non-meat alternatives* measurement scales were adapted from prior studies (De Magistris and Gracia, 2008; Gil, Gracia, and Sanchez, 2000; Lindeman and Väinänen, 2000).

Results

Of the 253 respondents, 66 (26.1%) were male and 184 (72.7%) were female. The descriptive statistics for dietary preference indicate that the majority (51.4%) of respondents are non-vegetarian, 32.8% are flexitarian, 12.6% are vegetarian, and 3.2% are vegan. Furthermore, 66.7% of males classified themselves as meat-eaters opposed to 45.7% of females. Both the summated *environmental concern* and *environmental attitude* scale included five scale items, and had the highest mean values of 3.99, and 3.91 respectively. This indicates that, on average, respondents were shown to be concerned about the environment, compounded with attitudes that favour the environment. The standard deviations of the *environmental concern* and *environmental attitude* scale are 0.54 and 0.64 respectively, which is relatively low, indicating that responses did not differ significantly from the mean. The summated *health consciousness* scale, the standard deviation is 0.72, indicating that, on average, respondents were split between being neutral and strongly agreeing. The standard deviation of *animal ethical concern* is 0.89, which reveals that, on average, respondents were split between being indifferent and highly concerned about the animal welfare ethical issue. The summated *purchase intention of non-meat alternative* scale, included five scale items, and had a mean of 3.53 indicating that, on average, respondents would likely purchase non-meat alternatives.

The internal consistency of each scale was used to assess the reliability of each construct. Cronbach's alpha ranged from 0.71 to 0.95. Similar studies have suggested that a Cronbach's alpha value of 0.6 and greater suggests satisfactory internal consistency (De Boer et al, 2017). To measure validity of the scales a factor analysis was performed to assess the correlation between variables and underlying constructs. *Environmental concern* was the only construct that loaded two factors with an Eigenvalue greater than one as required by Kaiser's Criterion. Factor one (with an Eigenvalue of 2.27) explained 45.35% of the variance in the data and four items loaded onto this factor. Factor two (with an Eigenvalue of 1.01) explained 20.31% of the variance in the data and one item loaded onto this factor. The cumulative variance explained by both factors was 65.65%. For *environmental attitude*, only one factor loaded with an Eigenvalue greater than one, which was required by Kaiser's Criterion. Factor one (with an Eigenvalue of 2.37) explained 47.34% of the variance in the data and all five items loaded onto this factor. *Health consciousness*; only one factor loaded with an Eigenvalue greater than one, which was required by Kaiser's Criterion. Factor one (with an Eigenvalue of 3.61) explained 51.58% of the variance in the data and all seven items loaded onto this factor. *Animal welfare concern*, only one factor

loaded with an Eigenvalue greater than one, which was required by Kaiser's Criterion. Factor one (with an Eigenvalue of 2.99) explained 74.62% of the variance in the data and all four items loaded onto this factor. *Purchase Intention of non-meat alternatives*, only one factor loaded with an Eigenvalue greater than one, which was required by Kaiser's Criterion. Factor one (with an Eigenvalue of 4.20) 83.99% of the variance in the data and all five items loaded onto this factor.

Hypothesis Testing and Discussion

At the 5% significance level, herewith, environmental concern has a positive relationship and influence with purchase intentions of non-meat alternative in accordance to the $p =$ value of 0.00 and Pearson Correlation of 0.415 is confirmed by previous studies from Fransson and Gärling (1999), Macdiarmid et al. (2015) and Roubanis (2008). However, environmental concern was found to be the weakest determinant. In analysing environmental attitude and its influence on purchase intention of non-meat alternatives, the research findings are consistent with Cribbin et al. (2016) and Macdiarmid et al. (2015), which indicated a $p =$ value and Pearson Correlation of 0.466. As shown in Pearson Correlations results of 0.524 and p -value of 0.00, Health Consciousness was shown to be the strongest determinant for the purchase intentions of non-meat alternatives. This finding is consistent with research conducted by Perry et al. (2001) as well as De Magistris and Gracia (2008). Similarly, conclusions drawn by Cribbin et al. (2016), Fox and Ward (2008) and Lea and Worsely (2005) found the relationship between animal welfare concern to impact on the purchase intention of meat alternatives, which motivates that animal welfare concern is a leading determinant for vegetarianism, which the studies confirmed through results of 0.508 Pearson Correlation and p -value of 0.00.

To determine the proposed behavioural differentials along gender lines proposed in H5 of figure 1, an independent sample t-test was performed. Firstly, a Levene's test for Equality of Variances was employed to determine whether the groups' variances were equal in line with the test assumptions. Using the equal variances assumed data, each respective hypothesis test revealed that the researchers accepted the hypothesis associated p -values at less than 0.05 at the 5% significance level. Herewith, the environmental concern, environmental attitudes, health consciousness and animal ethical concern differed across gender lines individually. Respectively, the Levene's F-Stat ranged from 0.09 to 1.40, while the Levene's p -value ranged between 0.24 and 0.76. The researchers determined females have consistently higher levels for environmental concern, environmental atti-

tude, health consciousness and animal welfare concern from the high mean values presented.

Conclusion

The results from the study revealed that the respondents were in fact concerned about the environmental concern, environmental attitude, health consciousness and animal welfare concern, which affected dietary behaviour. Furthermore, hypotheses one to four confirmed that these determinants presented a positive effect on the purchase intentions of non-meat alternatives. This confirmed previous literature findings of conscious dietary consumerism for the millennial generation (Fox and Ward, 2008; Macdiarmid *et al.*, 2015; Roubanis, 2008; Ruby, 2011). Furthermore, females were more likely to follow a non-meat diet. This is consistent with previous studies conducted by Perry *et al.* (2001) and Kubberød *et al.* (2002). A third of males' respondents classified themselves as non-meat eaters. This may be explained as red meat symbolises masculinity and power, which may allude to the non-vegetarianism of males in Westernised cultures (Kubberød *et al.*, 2002).

Recommendations and Managerial Implications

Environmental impact differs based on food choices and manufacturing methods, with animal products being a noteworthy contributor to problems. Therefore, it is recommended that marketing strategies targeting environmentally responsible consumers are designed from an informative approach, to draw consumer awareness to the environmental impact of their dietary choices. For consumers who are driven by the health impact of their diets, marketing managers should educate this segment on the widespread health benefits—cholesterol-controlled, low fat, antibiotic and hormone-free components—associated with meat alternatives. In this informative approach, key nutritional facts of meat alternatives may be promoted to dispel the notions that meat is a sole source of protein. Therefore, organisations can gain substantial growth by developing a strong environmental strategy approach to non-meat offerings. Consequently, policy makers and marketers should consider environmentalism and sustainability with a stern focus on preserving the environment and animal wellbeing.

Limitations and Future Research

Since most respondents were female, it may have influenced the results that follow, and posed a limitation on the study. It is recommended that future researcher explore the hypotheses separately with each gender. The limitations faced geographic constraints that impedes the generalisability of the study. Though the contribution to a developing country context is noted, it would be useful to look at other developing and developed countries to provide different perspectives. In

addition, the quantitative approach enabled statistical inferences to be drawn, however, it limited the researchers' ability to attain further, detailed and meaningful insights into consumer behaviour as gained through qualitative methods. The study was exclusively based on the age range between 18 and 35, which is a major segment for marketers in various industries. However, a further investigation into the 35 and older age group is advisable. Future research should extend this study by examining environmentalism and sustainability and mediator variables could also be considered, such as price and availability of non-meat products.

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Cultural Branding of an Industry: The Social-Cause Industry of Microfinance

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Keywords: *industry brand, cultural branding, industry legitimacy, industry image, social cause*

Description: *The paper conceptualizes the cultural branding of an industry and uses mixed methods to longitudinally explore the branding of microfinance.*

EXTENDED ABSTRACT

Research Question

How does a social-cause industry brand develop? How does a social-cause industry sustain its legitimacy and appeal?

Method and Data

Qualitative analysis of cultural representations of microfinance in the period between 1976 and 2015, supplemented with quantitative automated content analysis of media representations to further test the results of qualitative analysis.

Summary of Findings

We find that the cultural branding of microfinance evolved through five interrelated processes. Through these processes, microfinance was not only legitimized as an industry that adheres to external norms and expectations, but also obtained a capacity to morally captivate constituents with its worthy cause and commitment to social betterment. These moral and ideological commitments enhanced the equity of the industry brand, while at the same time making it vulner-

able to challenges of “internal legitimacy.” The industry reacted by reaffirming its commitment to worthy social causes, and by finding innovative ways to morally and ideologically re-captivate its constituents.

Key Contributions

The paper develops the concept of cultural branding of an industry. We extend existing research on industry legitimation by outlining the importance of moral and ideological captivation and internal legitimation. The captivation of industry constituents via establishment of moral and ideological commitments enhance the equity of the industry brand but also make it vulnerable to legitimacy crisis. During the periods of crisis, the industry defended its intrinsic legitimacy by reaffirming its commitment to worthy social causes, and by finding innovative ways to morally and ideologically re-captivate its constituents.

References are available on request.

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Global Marketing

Multiple Orientations, Exporting and Firm Performance

- Loosening the Knot: The Interplay Between Market, Innovativeness, Learning, and Entrepreneurial (MILE) Strategic Orientations and Export Performance: A Configurational Perspective Using fsQCA
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Global-Local Interplay in Retail Settings and Corporate Reputation

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Loosening the Knot: The Interplay Between Market, Innovativeness, Learning, and Entrepreneurial (MILE) Strategic Orientations and Export Performance: A Configurational Perspective Using fsQCA

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Keywords: *export performance, market orientation, innovativeness orientation, learning orientation, entrepreneurial orientation, set theory, qualitative comparative analysis, fsQCA*

EXTENDED ABSTRACT

Research Question

Which MILE configurations are necessary and/or sufficient antecedents for superior export performance?

Method and Data

The study used a cross-sectional design focused on Israeli security and defense exporters. Data were collected using scales adapted from existing research via face-to-face interviews with senior managers at the surveyed organizations. A Set-theoretic approach was used to investigate the complimentary effect of the MILE orientations on export performance. By using fuzzy set qualitative comparative analysis (fsQCA), we analyzed the configurations that lead to superior export performance.

Key Contributions

Most studies on determinants of export and international performance have used standard statistic models (such as regression or SEM models). In contrast, we developed and tested a configurational model for understanding the joint

impacts market, innovativeness, learning, and entrepreneurial orientations (MILE) on export performance. Thus, the main contribution of this study is providing a deeper understanding of the relationships among strategic orientations and how specific configurations of these orientations influence export performance.

Summary of Findings

Using a single strategic orientation is (not) enough. Three necessary configurations were MO + lo, mo + io + Eo and io + lo + EO and three paths that are sufficient for high export performance include mo * IO, MO * eo, and mo * LO * EO. Therefore, Israeli security and defense exporters could succeed by being highly innovative and at low levels of market orientation, high on market orientation and low on entrepreneurial orientation, or high on entrepreneurial and learning orientation but low on market orientation.

References are available on request.

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A Study on the Relationship Between BOP Orientation and Firm Performance

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Keywords: *BOP orientation, strategy tripod view, firm performance*

EXTENDED ABSTRACT

Research Question

What's the effect of firm capability in serving the BOP consumers on firm performance?

Method and Data

Following prior research on emerging market, we focus on the unique institutional environment of government support and legal inefficiency in the world's largest emerging economy, China. We used multi-informant survey method to collect data from 296 Chinese manufacturing firms to test the hypotheses.

Summary of Findings

We find that BOP orientation exerts a positive effect on firm performance, and such effect is contingent on both the institutional environment (government support and legal inefficiency) and the task environment (competitive intensity and technological turbulence). Specifically, both government support and competitive intensity enhance whereas legal inefficiency reduces the positive effect of BOP orientation, and technological turbulence has an insignificant influence on the effect of BOP orientation. These contingent effects essentially reveal the opportunities and the challenges faced by firms targeting the BOP market.

Key Contributions

This study contributes to the knowledge of how to serve the under-served BOP consumers by structuring and testing a

conceptual framework that delineates the performance impact of the firm capability to serve the BOP population (BOP orientation) and how the effect varies across both the institutional environment and the task environment in China, the world's largest emerging market.

In doing so, the study provides insights on the role of an internal firm capability, i.e. the BOP orientation, in helping firms to capture the opportunity in the BOP consumers while reducing the costs and risks. From the strategy tripod view (Peng et al., 2008; Peng et al. 2009), firm resources or capabilities, institutional factors, and industry conditions join forces to determine firm strategic choices and market performance. This theoretical lens parallels Oliver's argument (1997) that firm heterogeneity and competitive advantages primarily depends on how firms manage the institutional context of rent-generating resources and capabilities. Extending this proposition, we contend that firms' capability to serve the BOP consumers (BOP orientation) in both the institutional environment and the industrial environment creates variations in firm performance in emerging markets.

References are available on request.

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The Influences of Country-of-Origin Retail Display and Product Attributes on Unit Sales

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Keywords: *country-of-origin, retail display, product attributes, meta-brand*

EXTENDED ABSTRACT

Research Question

The research presented addresses the following issues: (1) How does a retailer's choice of product characteristics for display organization influence product sales? (2) Is COO an effective sales increasing attribute for product displays?

Method and Data

Using wine as a context, a field experiment was conducted in a retail store located in the southwest United States. The experiment manipulated the country-of-origin display. General linear models program was utilized to analyze the moderating effect of display category on the relationship of brand and flavor on unit sales.

Summary of Findings

We found that the Display-Category does, in fact, moderate the relationship between the product attributes and unit

sales. For this retail location, COO was not the optimal retail display for wines and results indicate it as a lesser-important meta-brand compared to the actual brand.

Key Contributions

This research contributes to the body of literature in three ways. First, the field experiment offers more understanding of COO as a marketing tool or meta-brand. Second, by employing a field experiment, it enables the study of actual purchase behavior through product sales related to COO, versus attitudes and intentions. Lastly, it adds to the limited research analyzing the impact of origin-focused retail displays.

References are available on request.

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Examining the Diverse Roles of Corporate Reputation Dimensions for Multinational Corporations: A Cross-National Analysis

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Keywords: *corporate reputation, cross-cultural research, national culture, country development, multilevel structural equation modeling*

Description: *This study examines whether and how single corporate reputation (CR) dimensions affect consumers' intentional loyalty toward a multinational corporation (MNC) in international markets by referring to the five dimensions of the dominant customer-based CR scale: customer orientation, product range quality, social/environmental responsibility, good employer, and reliability/financial strength, and analyzing important country-specific boundary conditions in this context.*

EXTENDED ABSTRACT

Research Question

The most important intangible resource that a corporation can own is its CR (Hall 1983) which determine international competitive advantages and a positive effect on consumers' behavior. Although MNCs increasingly manage their reputation across nations to attract local consumers, employees, or the public, CR is mostly analyzed holistically. Little is known about the role of the dimensions, which constitute MNCs' CR.

Scholars often study the effects of a strong CR on consumer behavior nationally (seldom internationally). Within international studies, varying CR effects of on consumers' loyalty are linked to cultural differences or further institutional country differences by country comparison or across up to 40 countries (e.g., Bartikowski, Walsh, and Beatty 2011; Swoboda and Hirschmann 2017). In total, all authors integrate the measured CR dimensions, i.e., view CR in general. However, internationally only Szocs et al. (2016) analyze the five consumer-based CR dimensions separately by studying their antecedents in two countries.

Analyzing single CR dimensions across nations is advantageous as major CR levers will be visible. Thus and based on signaling theory, we first aim to examine whether and how single CR dimensions affect consumers' intentional loyalty

toward a MNC by referring to the five dimensions of the dominant customer-based CR scale: *customer orientation, product range quality, social/environmental responsibility, good employer, and reliability/financial strength* (Walsh and Beatty 2007). Second, we aim to examine whether and how important boundary conditions moderate these effects (power distance (PD) as a well-researched cultural factor in international CR research, and second on country development (CD; emerging vs. developed), which adds to the debate on those countries).

Method and Data

We conceptualize national culture and country development (country level) as moderators of the relationships between the five CR dimensions and consumers' loyalty (individual level). We developed a sample in cooperation with a German MNC whose central CR unit conducts annual customer surveys in up to 40 countries. Quota sampling according to the age and gender distribution was applied. After outliers elimination, 32,811 respondents remained for the 44 countries surveyed in 2014. The data was normally distributed.

On individual level, the CR dimensions were measured according to Walsh, Beatty, and Shiu (2009) with three items each, as this scale is a valid measure of CR and dominant in recent research (Sarstedt, Wilczynski, and Melewar 2013).

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Three items of loyalty measurement were adapted from Oliver (1999). On country level, measurement of the national cultural value of PD was based on Hofstede's (2010) recent data, which is most frequently used in international marketing research. To measure CD, we rely on income level (i.e., gross national income (GNI) per capita) using data from the World Bank Databank. We controlled for age and gender, and for the number of respondents per country.

Existing hierarchical data structure suggest that multilevel structural equation modeling (MSEM) is highly appropriate, as 14.7% the differences in loyalty could be attributed to country differences. Tests for (multilevel) reliability and validity, Correlations of the variables, Common method variance and multilevel invariance are satisfactory and not a problem in this study. We test the hypotheses using Mplus 7.4 for both the effects of CR dimensions and of CR in general.

Summary of Findings

The five dimensions explains slightly more variance on individual level than CR in general (63.7% vs. 60.2%). Thus, the results affirm the idea that the single CR dimensions can be understood as signals in a signaling theoretical sense that carry information about different facets of a MNC's CR.

Moreover, all of the five CR dimensions exert significant effects on consumers' loyalty, which corresponds with the positive, significant effect of CR in general. In detail, the dimensions *social/environmental responsibility* and *product range quality* have the strongest effect on loyalty. That means, that cross-nationally perceived signals of the various dimensions more or less intensely affect consumers attitudes and loyal behavior (e.g., Connelly et al. 2011). The result for *social/environmental responsibility* is surprising as the extant literature even reports negative *social/environmental responsibility* effects (e.g., Wagner, Lutz, and Weitz 2009). Moreover, we show positive effects of mostly neglected dimensions in consumer research: *good employer* and *reliability/financial strength* affect consumers' loyalty directly.

Based on the results of this study, MNU's should consider the country-specific environment when operating in inter-

national markets. There is a stronger explanation of country-level variance by DC (23.1%) than by PD (15.4%). Concerning the moderating role of PD, there are diminishing effects on the relationships between *social/environmental responsibility* and *product range quality* on consumer loyalty. These results are supported by analyzing CR in general. Regarding the moderating role of CD, the results show reinforcing (reducing) moderating influences on the effects of *social/environmental responsibility* and *reliability/financial strength* on consumer loyalty.

Key Contributions

We contribute to our understanding of whether and how the single CR dimensions (additionally to CR in general) affect consumers' loyalty across nations. Furthermore, it helps to determine whether and how these relationships are moderated by two important national institutions; PD as a well-researched and important cultural dimension in CR research, and CD, which adds to the debate on developed vs. emerging countries. Methodologically we use MSEM, which is appropriate for hierarchically nested data measured with latent constructs, but which is seldom used. As a result, we add to the literature with a novel perspective, namely inspecting the CR dimensions separately instead of CR in general. This view allows finer-grained conclusions.

We identify starting points for reputation management across nations, such as the determination of higher CR budgets and activities in *product range quality* and *social/environmental responsibility* in countries with diminishing level of PD will be advantageous. With regard to CD, higher(lower) CR budgets and activities on *social/environmental responsibility(reliability/financial strength)* in high CD countries are recommended. MNCs should consider and face tradeoff decisions regarding *social/environmental responsibility* in countries, which score high on both moderators. Maybe a standardized strategy concerning *product range quality* and an adapted concerning *social/environmental responsibility* are a superior solution according to the results.

References are available on request.

Architectural Branding in a Glocal Context

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Keywords: *store environment, retail design, glocalization, global brand management*

Description: *This paper investigates how global retail brands can actively manage their architectural branding in a glocal context.*

EXTENDED ABSTRACT

Research Questions

1. How do global brands translate their brand identity into architectural branding in retail? (Study 1)
2. What are critical factors in the management of architectural branding in a glocal context? (Study 2)

Method and Data

The paper applies an inductive and exploratory qualitative research design and is divided into two consecutive studies. The first study is based on 23 in-depth expert interviews with different stakeholders involved in the strategic architectural branding process. All interviews were recorded and transcribed verbatim. The second study draws from 30 in-store observations of five brands in three major cities (two observations per store of each brand per city), resulting in photographs and detailed field notes. After qualitative data analysis including a structured coding approach (Spiggle 1994), an inter- and intra-brand comparison was conducted. By drawing on cross-case analysis, the cases were compared among each other (intra-brand comparisons) and with stores of the other brands (inter-brand comparison) (Yin, 2003).

Summary of Findings

The two studies showed that it is beneficial for brands (in the fashion and accessories sector) to locally adapt their stores. Adapting to the local culture while still globally maintaining the brand's core values leverages a retailer's full potential by better relating to regional customers. To what extent a localization strategy is necessary depends on products/services sold, the brand positioning, the heritage of the brand and the local country culture of the subsidiary's location. However, not to overshadow and dilute the brand's global core values and identity, the extent of local adaptation should be carefully considered.

Key Contributions

This paper extends research on holistic architectural branding in retail, being the first to address architectural branding in a global context. It investigates how five global retail brands across three different target markets can actively manage their architectural branding in a glocal context.

References are available on request.

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Global Versus Local Cause-Related Marketing: Moderating Effects of Country-of-Origin and Individual Cultural Orientation

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Keywords: *cause-related marketing, country-of-origin, proximity of cause, cultural orientation*

Description: *This paper is about cause-related marketing.*

EXTENDED ABSTRACT

Research Question

Empirical findings on whether a local-scoped or a global-scoped cause-related marketing campaign is more effective have been mixed, suggesting the existence of boundary conditions (i.e., additional moderators) to the effect of cause scope, which is often operationalized as proximity of the cause. This research investigates the main effect of proximity of the cause (local vs. global) on perceived consumer effectiveness, which is defined as one's belief about the impact of his/her purchase, and ultimately purchase intention. Further, the current study also examines the moderating effects of MNC's country-of-origin as well as consumers' cultural orientation.

Summary of Findings

Drawing on social impact theory, a conceptual framework is proposed that evaluates how proximity of the cause (local vs. global) interacts with the MNC's country-of-origin and consumers' cultural orientation to jointly influence per-

ceived consumer effectiveness, and consequentially purchase intention.

Key Contributions

This study affirms the application of social impact theory in a cause-related marketing atmosphere. Specifically, we corroborate arguments presented by social impact theorists (Latané 1981) in that we explain the complex effects of global-scoped vs. local-scoped cause-related marketing by exploring the moderating effects of the MNC's country-of-origin as well as the consumers' cultural orientation. By doing so, we do not only contribute to the cause-related marketing literature, but also advance our understanding in international marketing strategy, particularly in the cause-related marketing area. Our theorization and propositions will also offer guidance for marketing practitioners who utilize cause-related marketing as an international marketing strategy.

References are available on request.

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Active Learning Adoption in a Marketing MBA Course

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Ana Akemi Ikeda, Universidade de São Paulo

ABSTRACT

The aim of this study is to broaden the understanding of active learning and thus, to equip teachers and researchers with useful information for their profession. The experience took place in the Competitive Intelligence subject, in a Marketing MBA course. The analysis was carried out in ten groups of a subject of eight meetings, involving PBL (*problem based learning*) sessions, case discussion session, group project and individual test application. The results were promising in terms of student achievement, the quality of the teacher-student relationship and the subject assessment.

Keywords: *active learning, marketing, teaching methodologies*

Introduction

Researchers in education reinforce the need to change the unilateral responsibility on the part of teachers in “teaching” and the passivity on the part of students in “attending classes” by the joint commitment of “producing classes,” with greater participation of students and the change of the teacher’s role (Anastasiou and Alves, 2009; Cunha, 1993; Dewey, 2009; Freire, 1996; Kinchin, Lygo-Baker, and Hay, 2008; Seaton and Theile, 2006).

This article aims to increase the understanding of active learning and, thus, equip teachers and researchers with information useful to their profession. It discusses different methods, strategies and active dynamics of teaching-learning and reports a lived experience in the subject Competitive Intelligence (CI), offered in a 480-hour *lato sensu* postgraduation course in Marketing between June 2015 and December 2016. The analysis began with the composition of ten groups, with eight sessions each.

A New Way of Teaching and Learning

The theoretical framework addresses the adult learner and the importance of active learning in contemporary education.

For Knowles (1973), the teacher’s role in adult education would become that of a facilitator, who produces the conditions that promote learning. Establishing an environment for learning, the diagnosing of the needs, the programs and the

content formulating to meet the learning needs, the planning and conducting the process, and the learning assessment are some of the facilitator’s responsibilities in the adult learning process (Carvalho et al., 2010; Knowles, 1973; Vogt and Alves, 2005).

Learning-focused education has received attention since the early twenty-first century, with the application of different strategies, techniques and teaching dynamics (Anastasiou and Alves, 2009; Kolb et al., 2014). The focus on learning thus assumes a greater concern with the desired objective to be achieved: the transformation of the student. Thus, the learning goal setting should be the starting point for defining the teaching strategy to be adopted. According to Anastasiou and Alves (2009, p.76), “strategies aim at the achievement of objectives, therefore, it is necessary to be clear about where one intends to reach at that moment with the teaching process.” Considering that teachers together with students become responsible for “producing the class” requires a review of the lesson strategy.

Considering the process centered on the student and on the learning, once the learning objective to be achieved has been defined and the learning style to be worked out has already been identified, the teacher should define his/her way of acting (*modus operandi*). The role of the teacher would be, for achieving the objective, to flexibilize his/her main style, varying it: coach, facilitator, specialist and evaluator (Kolb et al., 2014).

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The first uses of PBL methodology occurred in the 1960s at the McMaster Medical School in Canada. In the 1970s, schools in Europe and America began to apply this methodology, such as in Maastricht in the Netherlands, Roskilde and Aalborg in Denmark, and Harvard in the United States (Furquim, Pluskwik, and Wiggins, 2015; Kolmos, 2015).

The PBL is a circular, student-centered approach, which uses problems to start, focus and motivate the learning of socially and professionally relevant knowledge, proposing the integration between theory and practice, applying the knowledge learned in developing a workable solution to a defined problem (Escrivão Filho and Ribeiro, 2008; Frezatti and Martins, 2015). According to Berthelsen et al. (1977 as quoted by Graaf and Kolmos, 2009), the principles that guide the PBL are: orientation to the problem, organization by project, interdisciplinarity, participant control, and connection with reality (*exemplary function*). It is important that the problem which must be treated is “linked to the real problem, be complex, poorly structured, interdisciplinary and allow the investigation” (Silva and Araújo, 2016).

For Ribeiro (2005, p. 40), different application formats and methods are called PBL, since the simplest forms—such as cases based on lectures, lectures based on cases, case studies, modified case studies—up to more complete forms such as learning based on the problems themselves and learning based on reiterative problems. The model of the University of Maastrich, in the Netherlands, resembles the model called by Ribeiro of learning based on the problem itself, in which students make contact with the problem without prior reading about it and devote themselves, in a meeting or in a few weeks, to the understanding of the problem and to the elaboration of the solution (Furquim, Pluskwik, and Wiggins, 2015; Ribeiro, 2005).

Learning based on reiterative problems resembles the project oriented problem-based learning (POPBL) presented by the University of Aalborg, Denmark (Furquim, Pluskwik, and Wiggins, 2015; Graaf and Kolmos, 2009). According to Graaf and Kolmos (2009), a problem could evolve into a project to be worked on in several classes and, in some schools, there is differentiation of this practice in PBL (*problem based learning*) and POPBL (*project oriented problem-based learning*). Besides the contact with the specific content, the student’s valorization as protagonist of his learning process would bring as benefits: (i) development of holistic vision; (ii) development of the critical thinking and the competence in problem-solving; (iii) improving peer communication and exposure of ideas (*brainstorming*); (iv) improvement of social skills through teamwork and (v) increased satisfaction with the learning process (Frezatti and Martins, 2015; Furquim, Pluskwik, and Wiggins, 2015;

Graaf and Kolmos, 2009; Kolmos, 2015; Silva and Araújo, 2016).

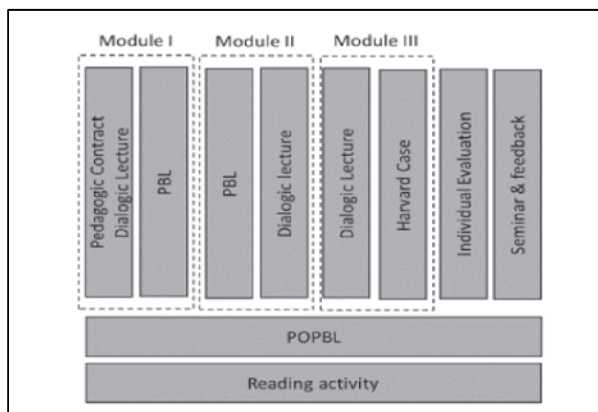
Cases are real-life business problems that confronted managers at a given time and are offered later to students with open solution problems (Greenhalgh, 2007). The case method is “the thoroughly and objective analysis of a real situation that needs to be investigated and is challenging for those involved” (Anastasiou and Alves, 2009, p. 98), in which participants have room to demonstrate their expertise, experience, observations and analyzes (Corey, 1980; Hammond, 2002). Such situations represent the opportunity for students to confront real problems in a controlled environment, safe for making mistakes and for learning (Corey, 1980; Greenhalgh, 2007). The literature cites as benefits of the method application the increase of the vision on the part of the students, with the increase of their critical vision; increase of the students’ motivation, with the increase of their participation in the discussions; development of managerial skills; development of interpersonal skills through group activities; and development of problem-solving skills (Anastasiou and Alves, 2009; Hammond, 2002; Ikeda, Veludo-de-Oliveira, and Campomar, 2005). Success in conducting a case discussion would depend on the teacher’s ability to stimulate discovery by probing, put concepts into practice, work the comparison and contrast, and engage students in the discussion (Corey, 1980).

The Report of Experience in Competitive Intelligence

The subject Competitive Intelligence (CI) consisted of eight weekly face-to-face meetings, one of which dedicated to individual assessment. Considering the learning objectives, students were expected to be able to understand and relate the main concepts, to criticize the results coherence of the analysis carried out and to design a strategic map that translated the strategic definitions into tactical activities.

The subject was designed in a way that met the initial goal through active learning, using different teaching and learning methods (Figure 1). In the first module, composed of two classes, the main concepts of competitive intelligence, use of information for decision making and coherence in the analysis, strategy, tools for strategy formulation, analysis integration and decision coherence were presented and discussed, through dialogued expositive classes and PBL. The second module developed the concepts of marketing information system and decision making at the functional level, using PBL and dialogued expositive classes. In the third module, the concepts of *Business Intelligence* (BI) and *Balanced Scorecard* (BSC), with dialogued expositive classes and application of a case from the Harvard database. At the seventh meeting an individual test. In the eighth meeting, the optional seminars were presented, and the group and indi-

Figure 1. Structure of the Subject Competitive Intelligence



vidual assessments were discussed. Throughout all the meetings, the students dedicated themselves to reading the bibliographical references and, in groups of up to six participants, to a project (POPBL).

The objectives of each class and the adoption of different methods required different approaches from the teacher throughout the eighth meetings. In classes one, four and five, it predominated the dialogued exposures with short exercises intercalation. In these sessions, the teacher's attitude alternated between Specialist and Facilitator. The eighth session began with the presentation of seminars. After the papers presentation, the topics discussed were integrated and the teacher encouraged a discussion about factors that could facilitate or hinder the new knowledge application in the students' routine in their executive roles. Continuing, the correction of the test and works was debated. In the end, the teacher made himself available for individual *feedback*. In this class, the teacher dominant approach was that of Facilitator and *Coach*.

The PBL method was applied as a "one day, one problem" in the classroom and as a project (POPBL) in extra class groups. The PBL method, "one day, one problem," was applied in two of the eight meetings, in independent exercises: a problem placed before the theory is presented to students in small groups, who begin to explore it and to raise hypotheses, effectively facilitated by a tutor who activates its previous knowledge (Furquim, Pluskwik, and Wiggins, 2015; Ribeiro, 2005).

At the beginning of the classroom, the PBL was presented as a teaching and learning method aligned with active learning, what aroused students' interest and curiosity in doing something different. Initially, for about ten minutes, they read the exercise and reflected individually on the pre-established

questions. Then, they organized themselves to carry out the group work, discussing for another twenty minutes. At the end of the group activity, they held a plenary discussion. During the session, the teacher assumed the role of facilitator, mediating the discussion: he/she encouraged participation, organized the ideas presented by the students on the board and appreciated the contributions of the class when they were rescued at the close of the discussion. The described process involved half of a three-hour meeting. After the break, the teacher made use of resources typical of an expository dialogued class to deepen the concepts worked, appropriating the collaborations derived from the group work and the discussion in plenary.

The project (POPBL) that permeates the entire subject had the objective of integrating, deepening and systematizing the knowledge obtained in the classroom. The groups were consisted of four to six members and separated by the students' convenience. The project had a central theme (the opening of a new business), with partial deliveries at the end of each module. For these deliveries, the groups made use of the recommended basic bibliography and deepened their own researches. Each stage of the project started with conceptual issues and finished with the knowledge application in the project. Partial deliveries were performed in classes three and five. In classes four and six, the groups received personalized feedback in writing, and verbally when necessary or requested, with the teacher assuming the role of *coach*. The *feedback* was done through questions that stimulated the deepening of research and the reflection about it. In the final delivery, the groups had the opportunity to redo all the work in the light of the *feedback* provided. In the eighth class, the students received the final *feedback* of the case, with the teacher's assessment and considerations.

The case of the Harvard database was distributed printed and handed out to the students, in the first meeting, during the establishment of the pedagogical contract. At that time, the YouTube link to the video "*Inside the Case Method*" from Harvard was made available to students to guide them to prepare themselves for case discussions. The students were distributed in alphabetical order in the room, so that they were taken out of the comfort zone, that is, to always work with the groups already established.

The first ten minutes of the class were devoted to the opening and organization of individual notes. In the next fifteen minutes the students checked their understanding by discussing in group with their closest colleagues. The next hour the discussion took place in plenary, in which the teacher's role was alternated mainly between evaluator and *coach*. Students were warned that the case was a simulation game and that roles would be experienced throughout the exercise, and the

exercise tone was that of a meeting of the steering committee of the company under study. The positive reinforcement to the best observations was made through affirmative statements about the quality of the comment, request for clapping and even distribution of chocolates. It was also clearly stated dissatisfaction with superficial or disconnected opinions about the case. At the end of the exercise, considerations were made about the difficulties and doubts presented, as well as about the application of the knowledge discussed in the previous class and reinforced by the reading of the base book. After the break, the class returned as a dialogued exposure, connecting the exposure with the experience of the exercise, other possible solutions and the reality in the students' companies.

Results Achieved with the Experience

The qualitatively positive result encouraged the sharing of experience through this report.

Even considering that the adoption of active teaching and learning strategies requires changes in the teachers' and students' performance and this requires the students' qualified participation, the experience allows to draw attention to some aspects considered positive: the good performance of students in the subject; the positive assessment that the students registered in relation to the subject and the work carried out by the teacher, even with more rigorous assessments; the approval declared by the students and the quality increase of the teacher-student relationship.

The student's assessment on the subject and on the teacher was carried out by the school's standard research tool - a questionnaire with closed questions, using a 4-point scale (1 being "totally disagree" and 4 "totally agree"), applied on the last day of each subject. Figure 2 shows the cumulative

frequency of assessments between points 3 and 4, per class. The objective of the institution is to have at least 80% of the assessments between scales 3 and 4. In the approval indexes average, the subject met the school objectives (80%) in all classes, regardless of the active methodologies adoption. However, the positive evolution of the results reinforces the teacher's perception of the existence of a learning curve with the adoption of the active teaching strategy. The indicators "content explanation" and "activities feedback" would deserve a special attention, once they are slightly below the institution's goal (black box) in the first classes who were exposed to active learning.

The learning evolution was verified by the scores evolution assessment of individual tests and group work. Figure 3 illustrates the maintenance of good scores in tests and work assignments, even with the rigor increase in the assessments as the teacher's dedication to the increased.

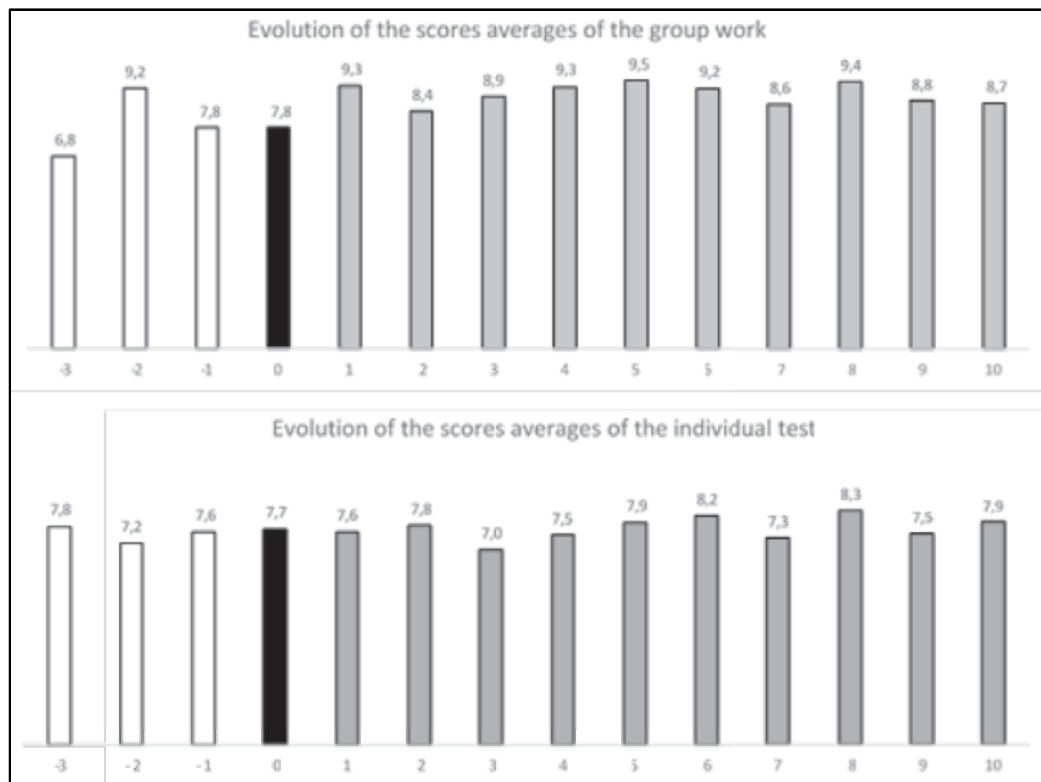
According to the report of the group interview, the adopted teaching-learning strategy was approved by the students mainly for balancing moments of exposure, reflection and application of the concepts discussed in an orderly and communicative way. The use of active methodologies also stimulated the connection between Competitive Intelligence, the other subjects of the course and the real challenges of professional life. The PBL problematization, the need for the project evolution and the indication of complementary references in the virtual library encouraged the reading of the compulsory and complementary references. The *feedback* to the individual and group activities was recognized as being of great importance for the learning process, when confirming or making possible the adjustment of the understanding and the meaning of the concepts. *Feedback* is also perceived

Figure 2. Assessments of the Teacher, the Subject and the Class from the Students' Perspective

GROUPS	-1	0	1	2	3	4	5	6	7	8	9	10
TEACHER												
	Sum of the frequency of grades 3 and 44											
Planning classes and activities	100	84	100	100	95	100	100	100	96	100	100	100
Making materials available	100	90	100	100	100	96	100	96	100	100	100	100
Explanation of contents	100	74	100	94	79	100	100	93	96	100	100	100
Other teaching strategies	100	84	90	100	95	100	100	100	100	100	100	100
Mobilization of students' experience	100	89	80	94	90	100	100	96	96	100	100	100
Explanation of assessment	100	89	90	100	89	100	100	100	100	100	100	100
Feedback of activities	100	90	100	100	73	100	100	96	100	100	100	93
Good Teacher	100	84	100	100	90	100	100	96	96	100	100	100
SUBJECT												
	100	90	100	94	100	100	100	100	100	100	100	100
CLASS												
	100	85	80	94	95	96	100	100	100	100	100	100
STUDENT												
	100	90	90	88	95	92	94	93	96	100	100	96

below 80%
 between 80% and 90%
 above 90%

Figure 3. Evolution of the Students' Scores Averages in Formal Assessments



as a teacher's concern for the class, reinforcing the meaning, mobilization, and motivation of the students (Ackerman, Dommeyer, and Gross, 2017). The students also highlighted as fundamental: the activities presentation, their relationship with the learning objectives and the closure done by the teacher for the systematization and meaning of the learning.

Learning and Final Considerations

This report of experience was prepared aiming at broadening the understanding of active learning and equip teachers and researchers with information useful for their profession.

Although several reflections can be made on the adoption of an active teaching-learning strategy, it is worth mentioning the well noticed growth in maturity of the students since the increase of the stimulus up to the reflection and exposure of the ideas, which made possible a greater exchange between teachers and students and enabled the knowledge construction from the students' previous experiences.

As advocated by Paulo Freire's pedagogy of autonomy and by the principles of andragogy of Knowles, from the epistemological point of view new abstractions began to make sense from the initial concrete knowledge, thus creating a

new and more elaborated abstract knowledge. The contact with the initial knowledge was only possible by valuing the students' experience through the transferring of part of the responsibility in the "to produce classes," which resulted in their greater participation in the classes. After a little initial discomfort, most students agreed to assume the position of responsible for their own learning. The relationship with the teacher improved every class because the students saw him/her as a facilitator of the process for which they were then responsible.

From the teacher's perspective, the growing interest of institutions by active methodologies indicates the need for constant updating, not only referring to specific scientific knowledge, but also referring to didactic knowledge. As an autonomous researcher, the teacher interested in the adoption of active methods, strategies and dynamics is capable of seeking additional knowledge, and the experiences reports greatly contribute to this self-development. From the perspective of the institution, change can be stimulated with initiatives aiming at the faculty qualification and awareness of the importance of adopting the active methodologies. The greater amount of time spent by the teacher is an issue that needs to be considered by the institutions.

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Guiding Principles Model: A Call to Integrate the 4 P's into a Strategic Construct

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ABSTRACT

Although flawed and roundly criticized, the 4P's have been introduced in marketing texts for 50 years as a foundational marketing concept. This paper urges educators to reform curricula to provide students an immutable set of principles on which to base marketing decisions and proposes a values-driven Guiding Principles Model (GPM™).

Keywords: *guiding principles, ethics, mission, intelligence, responsibility*

Description: *This paper proposes the development and adoption of a Guiding Principles Model (GPMTM) as a strategic, foundational construct in marketing curricula.*

Introduction

The 4P's, with its memorable mantra of *product, place, promotion, and price*, have been passed down for more than 50 years to generations of students in marketing courses. Though roundly criticized as inadequate in the marketing literature almost since inception, the 4 P's continue to be presented in introductory marketing textbooks as a foundational concept for the practice of marketing. Repeated attempts to modify it have not had widespread acceptance, and calls for revision continue to the present day. The literature is replete with recommendations for new models/variations.

It is the authors' contention that alternative models presented in the literature to date to supplant the 4 P's have failed to serve as adequate replacements for the same reasons the 4 P's model itself is faulty: Such models are based on tactical rather than strategic considerations, and the efficacy of specific tactics is situationally dependent. With continual and rapid change in the marketing field, such approaches are doomed to failure.

Additionally, contemporary research in the field suggests that a disconnect exists between current marketing curricula

and the needs of employers. The marketing literature contains a broad range of papers that address the increasing importance of business ethics and social responsibility and the widening gap between marketing theory and corporate practices. Researchers cite the need for marketing education that stresses values such as work ethic; honesty; integrity; trustworthiness; responsibility; and marketing skills that address networking, collaboration, and social relationship building.

If we are to adequately prepare students for success in the complex 21st century marketing environment, we must provide them with an immutable foundation of principles upon which to base marketing decisions and to select marketing tactics. Such a foundation requires a new curriculum construct that provides values-driven criteria for effective marketing practices.

The marketing curriculum must evolve and stimulate critical thinking to encourage students to operate from a more strategic viewpoint; adapt tactical considerations to changing marketing situations; and execute marketing practices in more integrated, ethical, and socially responsible ways than they have in the past. This paper suggests the 4 P's be inte-

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grated into a foundational strategic construct, referred to as the Guiding Principles Model (GPM™) and that new pedagogical tools be added to the curriculum to support the GPM™.

Marketing Curricula: Past and Present

Wilkie and Moore (2012) trace the emergence of the field of marketing to shortly after the turn of the 20th century, when academic attention shifted from the production of goods to market distribution. Profound societal changes and technological advances from 1920 to 1950 brought electric service and an array of new products to consumers such as washing machines and refrigerators. The marketing discipline flourished during that 30-year period, as businesses touted the features and benefits of these new products. During this timeframe, many of the foundational theories of marketing were also developed.

Introduction of the 4 P's

In the late 1940s, Harvard Business School professor Neil H. Borden introduced the concept of the marketing mix in his teaching and described the marketing executive as a creative mixer of practices to develop a profitable business (Borden, 1964). Building on this seminal concept, Michigan State University marketing professor E. Jerome McCarthy (1968) argued that the marketing mix could be reduced to four basic variables he dubbed the 4 P's: *product*, *place*, *promotion*, and *price*. McCarthy's contribution was not the first marketing model proposed. However, it made a major impact on the field and on academic curricula because it was concise, the alliteration made it easy to remember, and it identified specific marketing tactics.

While not a great deal of empirical research has been conducted on the 4 P's, several studies confirm that it is widely used among marketing practitioners as a foundational concept. Since its introduction, it has served as a conceptual platform on which to base marketing decisions. To the present day, it remains a key concept in the curriculum of most undergraduate marketing courses.

Calls for a New Model

Problems inherent in the 4 P's model have been recognized continually in the 50+ years since its introduction, and voices in the literature have persistently called for revisions. For example, Borden (1964) created his own list of 12 elements of the marketing mix and acknowledged that even more elements could be added. Proposals for new models have generally argued that distinctive characteristics of a product or service being marketed or specific factors in the economic, social, or marketing environment render the 4 P's inadequate. Some have suggested the 4 P's be replaced with more P's, or 4 (or more) C's, R's, or other letters or by a

model that focuses on customers or relationships (Abdallah and Jaleel, 2015; Booms and Bitner, 1981; English (2000); Grönroos, 1997; Hon, 2011; Lauterborn, 1990; Salam, Inam, and Awan, 2015; Wilkie and Moore, 2012; Zontanos and Anderson, 2004).

In 1981, Bernard Booms and Mary Jo Bitner argued that the 4 P's were valid for product marketing, but the model needed to be expanded to 7 P's to include *physical evidence*, *people*, and *process* as key elements when marketing intangible services.

In his 1990 article titled "New Marketing Litany: Four P's Passé: C-Words Take Over," Robert F. Lauterborn contended that consumer wants and needs should be paramount in marketing activities. Lauterborn proposed a shift to a customer-centric model, and he proclaimed that four consumer characteristics: what the consumer wants and needs (*commodity*) and is willing to buy (*cost*), along with *communication* and *convenience*, should replace the 4 P's. At that time, Lauterborn argued, "It's time to retire McCarthy's famous Four P's, the Rosetta Stone of marketing education..." (para. 1).

Despite Lauterborn's impassioned pleas, in the intervening years between 1990 and the present day, numerous additional revisions to the 4 P's model were proposed in the literature. Most recently, the growth of electronic technology and online marketing have ushered in a new era for marketers. Again, calls are heard for a revised model and academic curriculum reform to ensure congruity with today's marketing functions and methods. Some recent scholars have argued that the efforts of electronic marketers and the "distinct" characteristics of online and business-to-business marketing (B₂B) simply cannot be explained by traditional marketing models that were developed to support other marketing methods (Abdallah and Jaleel, 2015; Salam et al., 2015; Tapscott, 2000).

Synopsis of Key Issues Concerning the 4 P's Model

The adequacy and usefulness of a model can be determined by its applicability to situations in the real world. The 4 P's model was conceptualized and implemented during an era in which marketing functions could be defined in terms of four simple functions. As the marketing field evolved over time, social, economic, and technological complexities have rendered this simplistic model ill-suited for describing marketing activities. That is not to say that the 4 P's are irrelevant. They are useful in describing tactical functions that may be employed to achieve specific marketing goals. However, the 4 P's do not provide the broader strategic context in which marketing decisions should be considered. The primary flaws and deficits of the 4 P's cited in the literature, and key researchers and authors who have discussed them, are provided below:

- **Inadequacy for Complex Situations** (Ettenson et al., 2013; Grönroos, 1997; Sheth, 2002; Sheth, Newman, and Gross, 1991)
- **Narrow Focus on Products, Discrete Physical Place, and Fixed Price** (English, 2000; Lauterborn, 1990; Tapscott, 2000)
- **Neglect of Ethics, Personal Responsibility, Relationship, and Value Considerations** (McKenna, 1992; Narver and Slater, 1993; Tsung-Ju, Yi-Chen, and Ching-Sung, 2016; Walter and Gemünden, 2000; Zantanos and Anderson, 2004)
- **Lack of Recognition of Consequences of Marketing Actions Such As Social and Economic Impacts, Consumer Rights, Stewardship, Sustainability, and Corporate Responsibility** (Cornelius, Wallace, and Tassabehji, 2007; McFarlane, and Ogazon, 2011; Perera, and Hewege (2016); Wang, and Juslin (2012)
- **Gap Between Theory and Job Requirements** (Ardley, 2008; Armatas and Papadopoulos, 2013; Bennis and O’Toole, 2005; Boles, Brashear, Bellenger, and Barksdale, 2000; Casner-Lotto and Barrington, 2006; Cooper and Naatus, 2014); Finch, Nadeau, and O’Reilly, 2012; Guidry, 2012; Gummesson, 1994; Schlee and Harich, 2010; Sloan, 2015; Van De Ven and Johnson, 2006; Whitehurst, 2016)

Updating Introductory Marketing Curricula for 21st Century Relevancy

Amid the controversy surrounding the characteristics necessary for workplace success, one area of consensus has emerged from the research as essential to students’ job and career preparation: the importance of ethics, integrity, and social responsibility (Bentley University, 2014; Davidson, 2014; Guidry, 2012). In one study, 84% of business leaders and 78% of corporate recruiters ranked integrity as the most important attribute for job success (Bentley University, 2014; Tests to weed out incompatible employees, 1997).

Nowhere is the need for ethical awareness and behavior more relevant than in the marketing discipline. One need only look at organizations such as Exxon, Enron, Volkswagen, Wal-Mart, Red Bull, General Motors, Chipotle, Monsanto and, most recently, Wells Fargo and Mylan to find examples of how marketing decisions may have overshadowed ethical considerations, to the organization’s detriment and the demise of the careers of many company employees and executives. This deficit in ethics and socially responsible acumen and the absence of an ethical model as a cornerstone of marketing education could provide us with many similar examples in the future. Yet, in marketing texts, the topic of ethics is often presented in a cursory manner or relegated to a separate chapter later in the text and accompa-

nied by a single student exercise. Content coverage of ethics in most introductory marketing courses takes a “backseat approach” versus an integrated approach that moves beyond discrete strategies, tactics, and consumer-centric models found in the majority of marketing textbooks.

Siloed organizational approaches and fragmented tactical models can no longer continue as the status quo to prepare students for the rapidly changing world of marketing in the 21st century. The marketing curriculum and its presentation to students must evolve and stimulate critical thinking to enable students to understand, integrate, and utilize ethical and socially responsible means of employing marketing strategies and tactics in today’s complex marketing environment. Researchers such as Abromaityte-Sereikiene, (2006), Drumwright and Murphy (2009), and Tsai, C. (2006) echo the authors’ calls for more emphasis on ethical issues and norms for appropriate ethical behavior in marketing education. Their ideas, and those of others, will be considered in the proposed marketing curriculum redesign.

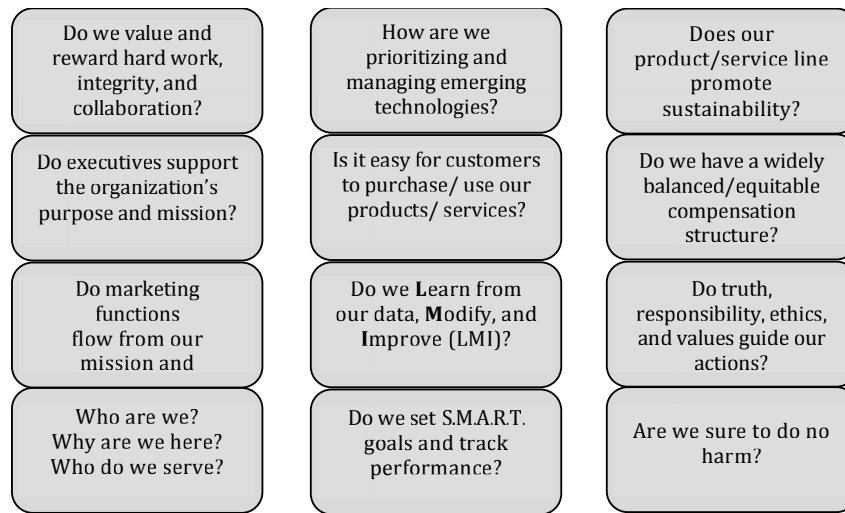
Educators must ensure that students have a strong set of guiding principles on which to base their marketing decisions. The Guiding Principles Model (GPM™) proposed in this paper provides students with a foundational construct that is applicable regardless of specific marketing functions performed. These principles lend themselves to application in specific tactical situations to form the basis for responsible, ethical marketing decision-making.

Introduction of the Guiding Principles Model

How do marketing educators guide students and equip them with strategies to address the complexities of the 21st century marketing environment and its rapid rate of change? While the authors agree that the 4 P’s model is not useful for this purpose, they do not believe the solution is to create new models as new situations arise. A useful model should not be built on the shifting sands of the constantly changing marketplace. It should provide the underpinnings for tactical functions and guide decision making in a dynamic environment.

The Guiding Principles Model proposed in this paper presents three principles as essential to a useful marketing model: Mission, Intelligence, and Responsibility. (See Figure.) The principle of Mission speaks to the organization’s overall purpose and strategic focus on accomplishing that purpose. Intelligence addresses the organization’s knowledge of its external environment and how it uses this knowledge and data to close the loop between planning and execution of plans. Responsibility subsumes the issues of integrity; ethical considerations; sustainability; and the development of long-term, meaningful, and respectful B₂B and B₂C relationships.

Figure. Foundational Principles and Critical Questions That Comprise the Guiding Principles Model (GPM™)



It is imperative that these principles be incorporated into the marketing curriculum and serve as the foundation for the establishment of tactical marketing functions and standards against which the achievement of marketing goals can be assessed.

GPM™ Strategic Considerations

The GPM™ is not proposed as an alternative to or a replacement for the 4 P's model. Rather, the authors assert that students must consider the GPM™'s principles as foundational concepts for marketing activities. In the GPM™, the 4 P's are not discounted as viable tactical functions. In fact, they are expanded and included as examples of potential tactics or functions. Thus, the 4 P's, 4 C's, or other alternatives introduced over the past 50 years are relegated to their proper places as functions through which the guiding principles are applied.

This principle-centered approach then permits assessment and measurement of the success of the strategic intent as well as the specific tactics used to achieve that intent. The authors propose development of pedagogical tools for these assessment purposes. The result is that the transient nature of a specific marketing situation now becomes rooted in an unchanging set of principles that demonstrate effective and defensible marketing purposes and philosophy. These principles also lend themselves to consideration as a means by which the organization can ensure fulfillment of its vision and mission.

The GPM™ is proposed as a comprehensive and holistic framework that is strategic, not tactical, and bridges the gap

between theoretical concepts and contemporary job requirements. It reflects the imperatives of contemporary marketing practice such as social responsibility, relationship building, sustainability, inequities in access to and attainment of products and services, compensation inequities, and other important considerations. It is an integrated approach versus a siloed subject/content structure and places critical guiding principles as foundational criteria for decision-making.

GPM™ Principles and Critical Questions

Listed below are the proposed guiding principles, critical questions, and potential tactical P's related to the principles in the revised curriculum. The 4 P's are not eliminated in the Guiding Principles Model; they are integrated as potential tactics for executing marketing plans.

Guiding Principle: Mission

- Who are we? Why are we here? Who do we serve?
- Do our marketing functions and activities flow from the organizational purpose and mission? Are they mission-driven?
- Do the principal executives support the organization's purpose, with posterity in mind and respect for the public good?
- Does the organization promote a strong work ethic and demonstrate that it values integrity, collaboration, and relationship building?

Potential Tactical P's of Mission:

Purpose, (2) Public Good, (3) Principals, and (4) Posterity

Guiding Principle: Intelligence

- Have we set **S.M.A.R.T.** goals (Specific, Measurable, Attainable, Relevant, and Time-Bound) and developed a scorecard to track performance indicators?
- Do we **Learn** from our data, **Modify**, and **Improve** (LMI)?
- How are we prioritizing and managing emerging technologies such as bots, artificial intelligence, and augmented reality without compromising consumer privacy?
- Have we chosen to offer our products and services in the most cost-effective and convenient ways for our potential customers?

Potential Tactical P's of Intelligence:

Preparedness, (2) Performance, (3) Prioritizing, and (4) Place

Guiding Principle: Responsibility

- Are we sure to do no harm?
- Do the products/services we offer genuinely enhance life? Are they produced and delivered in a highly ethical manner? Are we promoting the value of our products and services truthfully, responsibly, and ethically?
- Are we sourcing, distributing, and delivering our products/services in a sustainable manner?
- Are we developing long-term, meaningful, and respectful B₂B and B₂C relationships?
- Does the organization have a wide-balanced and equitable compensation structure?
- Does our pricing strategy reflect societal values?

Potential Tactical P's of Responsibility:

Portfolio/Product, (2) Promotion, (3) Pay, and (4) Price

Proposed Pedagogical Tools

Critical marketing decisions surrounding contemporary issues such as environmental design standards and green initiatives; corporate responsibility; consumer protection legislation; corporate transparency; sustainability; social responsibility, and justice and equity demand that our students develop a strong ethical base to guide their actions. The Guiding Principles Model is envisioned as the first step in a process of innovative curriculum design reform and the development of new pedagogical tools.

Planned tools include scorecards, dashboards, and individualized instructional strategies that emphasize the following: (1) foundational ethical considerations; (2) critical thinking as an underpinning of marketing decisions; (3) evaluation of curriculum and measurement of marketing results against

standards; and (4) improved alignment of tactical marketing choices with an organization's strategic purposes, vision, and mission. When additional proposed pedagogical tools are fully developed, this principle-centered model will permit assessment and measurement of the efficacy of the specific tactics used in strategic marketing plans.

Summary

Almost since inception, the 4 P's have been criticized among marketing scholars and practitioners because the model fails to address critical factors in marketing situations. Although the marketing literature is replete with proposed revisions to the 4 P's over the 50-year period since the model was originally proposed, none of these revisions has gained widespread acceptance.

The authors contend that the failure of proposed alternative models is due to the continued focus on specific tactics rather than on strategic principles that should serve as the foundation for tactical decisions. The marketing curriculum must evolve and stimulate critical thinking in such a way as to encourage students to operate from a more strategic viewpoint, to adapt tactical considerations to changing marketing situations, and to execute marketing practices in more integrated, ethical, and socially responsible ways.

The Guiding Principles Model (GPM™) provides students with an immutable strategic construct. It is the first step in a process to develop pedagogical tools that stress organizational mission, intelligence, and responsibility and address ethical and social responsibility issues. Thus, the GPM™ forms a foundational base and bridges the gap between marketing theory and contemporary marketing practices.

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Transforming a Marketing Research Course in a Flipped Classroom

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Keywords: *flipped classroom, transactional distance, marketing*

Description: *This paper empirically transforms a marketing research course by applying a systematic process in a flipped classroom and suggests that this approach is helpful to improve student engagement.*

EXTENDED ABSTRACT

Research Question

Student engagement is one of the top priorities to many marketing educators. Many measures of student engagement are linked positively to desirable student learning outcomes such as critical thinking and grades. As an up-to-date active learning approach, flipped learning is revolutionarily becoming more and more popular utilizing online resources. Students value active learning and interactions most in flipped learning.

This article aims to transform a marketing research course by implementing a systematic cycle to flipped learning. Research opportunities exist for a better understanding of connecting flipped learning and transformation. As a key component in almost all marketing curriculums, marketing research is crucial to marketing students. Flipping a marketing research course provides an ideal context for examining a systematic improvement process.

Specifically, the research questions of this article are:

- Research Question 1: How do we flip a marketing research class?
- Research Question 2: How do we systematically transform a flipped class?

Method and Data

This study uses a quantitative design with empirical testing. We collected survey data from students in marketing

research courses over several semesters. The data contains transactional distances between student-and-student, students-and-instructor, student-and-content, student-and-interface, and an outcome variable of satisfaction.

Summary of Findings

For the first research question, our study describes how a marketing research class was flipped. The results suggest that there is no unique way and it is not guarantee to succeed in the first time of flipping a class. To answer the second research questions, this paper found that to transform student engagement, marketing instructors need to respond to measurable outcome results and develop an improvements plan from the previous cycle and carry on for a new cycle.

Key Contributions

Our research fills a research gap by empirically transforming a marketing research course by applying a systematic process in a flipped classroom. This paper suggests instructors implement this systematic approach to document effectiveness of flipped classroom and decide what to keep and what to change for the next time to improve student engagement.

References are available on request.

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Does the Social Media Engagement on a College Facebook and Instagram Page Show What Types of Marketing Content is Engaging to Students? A Pilot Study of Public and Private Good Marketing Messages

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Keywords: *higher education marketing, social media marketing, digital marketing, college recruiting, higher education marketing messages*

Description: *We examine how students engage with a large university Facebook and Instagram page to determine what type of marketing content—public or private good—is most engaging to students.*

EXTENDED ABSTRACT

The purpose of this Qualitative Media Analysis (QMA) was to describe how students and prospective students engaged with the social media posts from a large Land-Grant College in the Western United States. The study examined the Facebook and Instagram posts between August of 2017 to October of 2017 to determine if and how students engaged with the posted content. The posts were coded and themes emerged from the data that students engaged more with posts that were of a private-good nature depicting the student journey, fun, friends, and campus life instead of traditional public-good educational posts that depicted words and images of learning, research, faculty projects, career placement and the university's mission. Findings from the study highlight important considerations for how students and college are influenced and how society's role of thinking about education evolves.

Research Questions

What levels of engagement did the marketing personnel see on the university Facebook and Instagram pages?

1. Did students engage with public good marketing content and if so, at what frequency?
2. Did students engage with private good marketing content and if so, at what frequency?
3. What type of content receives the greatest engagement in terms of reactions, comments, and shares?

Methods and Data

A qualitative media analysis (QMA) using NVivo11 content analysis software was selected for the study. A large public university in the Western United States was selected as the case study because the mission of the university was to serve a public good of enriching the lives of the people in the state through education, research, creative expression and community partnership. Traditionally, this type of university offered education for the public good and was publicly funded which may have suggested the marketing content may have been more focused on public good marketing mes-

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saging. Following QMA basic steps, the process began with pursuing a specific problem of how students interact with university Facebook and Instagram pages. Then, a coding form was created where words and images were coded as public or private good marketing content. The data was collected from August 1, 2017 until October 31, 2017 and were evaluated for accuracy and consistency. Words and images were examined for possible public or private good meanings. The analysis of the data occurred as the researchers interpreted the instrument collecting the data from the university Facebook and Instagram pages. The data was then entered and analysis into the software NVivo 11.

Summary of Findings

For this pilot study, the following observations emerged from the data. The Instagram page had 3.9% growth while Facebook only grew .66%. The content on the Facebook page and the Instagram page were different and the institutions marketing personnel posted more regularly on Facebook than Instagram. While private good content dominated the content overall, 40% of the Facebook posts were public good marketing messages while Instagram only had 15% public good marketing messages. Another observation was that video content had a much higher engagement rate when compared to photos, articles, or written words. The final observation was that private good marketing messages about sports appear to be the most engaged content on both accounts with the top 3 out of 4 posts on Facebook covering the private good sports. On

Instagram 2 out of the top 3 posts also covered a private good sports content theme. The lowest performing posts on both pages were public good marketing messages showing a campus map and faculty research about dogs.

Key Contributions

This study's results revealed that students do engage with universities on their social media platforms with varying levels based on the type of marketing message content. The results showed private good content elicited more student engagement than public good content. Private good content focuses on the student's social experience on campus allowing the student to connect to the university and the personal benefits to the student. University marketing personnel should concentrate its efforts on developing a strong private good content stream to increase engagement with students. Public good content did receive engagement demonstrating its relevance and necessity but indicating a weaker engagement level. The university should maintain a balance between public good versus private good content on social media platforms to increase student engagement with the university. The benefits of a well-maintained social media strategy extend beyond the student recruitment process but developing a strong sense of connectedness leading to a higher degree completion rate (Wilson and Gore, 2013) and a stronger alumni network.

References are available on request.

Building the Ideal Event-Portfolio for Universities: Results of a Choice Based Conjoint Experiment

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Keywords: *event-marketing, event-portfolio, choice-based conjoint experiment, fit, gender*

EXTENDED ABSTRACT

Research Question

Marketing generally has become more and more important for higher education institutions. Different tools and methods have been employed by universities to connect with (potential) students and other stakeholders in order to strengthen their position in this competitive market. Event-Marketing is one of these tools and universities organize various events to connect with their students and other stakeholders. Due to the way in which these institutions are organized, different events are being set up by various employees, students and faculty alike. Therefore, a mix of different types of events are organized and offered to similar or different groups of stakeholders. Hence, the overall Event-Portfolio of universities may consist of a variety of different events which are organized independently from each other.

Thus far, very little research concerning event-portfolios in general and event-marketing of higher education institutions specifically has been conducted. Building on the existing literature in the field of event-marketing, the role of a thematic fit of university and event seems to play an important role. Our research goal lies in the identification of an ideal event portfolio, consisting of different types of events offering the best fit to universities.

Method and Data

We conducted a choice based conjoint experiment to identify the importance of different types of events for a given university. Additionally, we included measures to evaluate the

perceived fit of the inserted events. To identify the different types of events relevant to our study, we conducted a market analysis. Information about numerous events hosted by universities was gathered and used to categorize all events into different groups. Through this procedure, we identified four different types of events (sport, career and networking, culture, fun and party) with three to four corresponding events (e.g. football tournament, musical, pub crawl), all of which were included in our study. A short pretest with $N = 34$ participants was conducted to ensure the applicability of the measures and events included. Minor adjustments were made, based on the derived feedback.

We used a leading tool for conjoint experiments to conduct the study. Participants were given a short introduction and tasked to choose one of three universities, solely based on the presented event portfolio that was presented for each university. The final sample consisted of $N = 275$ participants. 42.5% of the sample were female and the average age was at 24.24 years ($SD = 3.77$).

Summary of the Findings

Based on the results of the choice based conjoint experiment we were able to identify different importance values for each type of event included in our study. Overall, the category “fun and party” yielded the highest values, followed by “sport.” Surprisingly, the average utility levels derived by the individual events that were included in the categories

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varied vastly. Especially within the “fun and party” category events derived very different results.

Surprisingly, our results indicated that the proposed influence of the perceived fit is only valid for some cases. Although all of the events included in our study were generally measured above an average of 3.5 on a 7-point scale, the events deriving higher fit values were not necessarily yielding a stronger utility value in their perspective category.

Moreover, we were able to identify a significant influence of gender on the event preferences. Interestingly, female participants did e.g. prefer the fun and party category while male participants showed preferences for the sport category. Through multiple t-tests we were, furthermore, able to identify significant differences in the perceived fit of individual events that could explain some of the differences between male and female event preferences.

Key Contributions

Due to the very practical approach used in our research, the results do provide a valuable contribution for the fields of event-marketing and higher education marketing. Events

can potentially provide a difference for students to choose a given university over another. Offering a well-structured event portfolio could, therefore, be a crucial option to strengthen the relationship with existing and future students.

In addition to the obvious input for event-portfolio research, our results do also cater to the basic assumption about the role of thematic fit in event-marketing settings. Thus far, very few studies have looked at the perceived fit of numerous objects (i.e., events) to a given institution. Although some of our results do indicate that fit might be a potential influence on the decisions made, they also show that fit should not always be the first indicator to look at.

Seeing that gender also proved to have significant influence on the preferences of students in regard to the event and university choice process, research should address this issues in corresponding studies. The role of gender has certainly been addressed in some aspects of higher education marketing, our research offers reasoning to further assess this matter.

References are available on request.

Vampire Grades: Can Simulations Support Learning Without Reflection?

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ABSTRACT

Experiential learning through computer simulation is claimed to involve reflection. This study examines the relationship between reflection and assessment using self report, simulation performance over time and summative assessment for 107 students. No relationship between reflection and summative assessment was found. Expected stimuli for reflection were negatively related with assessment.

Keywords: *simulation, reflection, learning, reflective learning stimuli, learning outcomes*

Description: *No correlation was found between reflection and learning outcomes in a computer simulation, using measured reflection and identified stimuli.*

Introduction

For over two decades computer simulations have offered the promise of enhanced experiential learning of Marketing in Higher Education. As technology develops it offers not only enhanced experiential learning but also efficiencies in teaching and insights into the processes of learning.

The proposed benefits of computer simulations for teaching Marketing are many; for example robust experiential learning opportunities, understanding non linear problems and the ramifications of choices and the benefits of working through complex inputs and uncertainty as a team (Brooks, Burson, and Rudd 2006). While reports on realizing those benefits are equivocal (Beuk 2016) many report on success through a range of approaches (For example Cook and Swift 2006; Ganesh and Sun 2009; Vos and Brennan 2010). Simulations are not claimed as a panacea (Feinstein, Mann, and Corsun 2002) and much work highlights the need for understanding and supporting the learning achieved through simulations (Wellington, Faria, and Nulsen 1996; Lamont 2001; Cadotte and MacGuire 2013; Cadotte 2016).

Reflection is one aspect of learning which is widely discussed and accepted across disciplines as a central part of learning at Higher Education and professional level. Reflection is repeatedly given great attention and given this cen-

trality it is not surprising that some studies have examined the role of reflection in simulation (Cadotte and MacGuire 2013; Hughes and Scholtz 2015) however these have neither measured reflection independently nor explored the aspects of simulation which stimulate reflection.

Simulation offers the opportunity to monitor progress and performance on the simulation itself and identify patterns of reflection and learning. In this study we take this opportunity to examine aspects of reflection. We followed the process of learning for a cohort of students within an eight week exercise centered on a Marketing simulation game. Three data sources were used; self report questionnaires, simulation performance over time and assessment performance and these are combined to examine the role and practice of reflection and game performance.

The Practice of Using Simulations

Ultimately, technology may be more of an enabler than a stimulator of learning (Brennan 2014) and in line with this much research has examined the wider learning environment and brought aspects of learning theory to the practice of using simulations. Johnson et al (1996) looked at factors which enhanced learning, the agenda setting work of Brooks et al (2006) pointed toward research into aspects such as the selection of simulations, involvement and debriefing of students.

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Lamont (2001) focused on team learning theory, Treen et al (2016) built on this by measuring the impact of group size and decision making time. Learning may occur in groups but is primarily an individual process. Individually focused aspects such as learning histories (Parush, Hamm, and Shtub 2002) and the coaching role of instructors (Cadotte and MacGuire 2013) have been proposed as effective. Predisposition such as performance expectancy and effort expectancy (Caruana, La Rocca, and Snehota 2016) may be precursors to learning. (Parush, Hamm, and Shtub 2002).

Several authors have engaged with the linked aspects of reflection and critical thinking. Hughes and Schultz (2015) linked reflection with impact, Bell and Loon (2015) linked critical thinking disposition with student reported achievement of learning outcomes. The importance of reflection in learning in higher education is widely recognized beyond Marketing across disciplines (Ryan and Ryan 2013). It is particularly apposite for experiential learning such as that proposed for simulation, through its place in the very influential experiential learning cycle of Kolb (1984). Work on reflection is extensive and reflection is defined and adopted in different ways (see Rogers 2001 for a discussion of the concept) and in this study, reflection is guided by Kolb's and Rogers' work.

Critical thinking is similarly an embedded part of Higher Education practice and discourse, though links to specific interventions are more difficult to make (Tiruneh, Verburgh, and Elen 2014). Based on this, processes of learning such as reflection and critical thinking should form part of a well designed environment based around simulations.

To date work on reflection linked to simulation has been largely exploratory. Hughes and Schultz' (2015) study involved participatory action research and while reflection has been explored as a construct extensively elsewhere, links to experiential learning through simulation are limited. The more complex construct of critical thinking has seen similarly limited work, for example Cadotte and MacGuire (2013), though Bell and Loon's (2015) study used measures of critical thinking disposition and self reported learning outcome. Assessing critical thinking is complex and time consuming, however, with the well established tools such as the CCTDI (Facione 2000) and the ATI taking 40 minutes or more to deploy at some financial cost. Cadotte and MacGuire developed an exploratory rubric they aligned with Bloom's taxonomy and Bell and Loon used the much less well known UF-EMI tool.

Understanding processes of experiential learning through simulations in practice is closely linked to understanding learning itself. Reflection is at the heart of conceptions of

experiential learning and has been researched extensively. This study will use some of that work to investigate the role of reflection in learning through a simulation.

Assessing the Benefits of Simulations

The potential benefits of simulation in teaching Marketing have long been identified. Burns and Gentry (1992) provided an early typology of simulations and highlighted the potential value for experiential learning. Cook and Swift (2006) added to these and the list offered by Brooks et al (2006) above, extending potential areas of learning to include problem solving skill sets and high level decision making. Through these and many others simulation has established a strong role in marketing education.

The response of users both students and instructors is often presented. Ganesh and Sun (2009), examining use of simulation in a "capstone" marketing course shared the positive view of many adopters; "The overwhelmingly positive feedback from the students is evidence of the success of this approach and its project. The adoption of this approach in other teaching institutions is strongly recommended" Cook and Swift (2006) claimed students found the simulation experience to be an exceptional learning tool Vos and Brennan (2010) examined lecturer and student perspectives finding enthusiasm in both and that simulation was a highly effective learning method. This contrasted with the more equivocal view of Beuk (2015) on the benefits in sales simulation. Beuk took a similar dual perspective to that of Vos and Brennan but found that while students enjoyed the simulation they did not evaluate usefulness as highly as lectures.

The attitudinal response of participants is only one basis for assessing the benefits of simulation in practice. Perceived learning (used by Johnson, Johnson, and Golden 1996; Bell and Loon 2015 among others) involves a self report from the beneficiaries of the simulation and is aimed at the objective; learning. These self reports are limited of course by the attitude and subjectivity of the respondents. This can be exacerbated by deployment when for example the study includes staff with an interest in the simulation itself, for example Cook and Swift (2006). It is not simple to control for these factors.

Assessing specific skills such as numeracy (Brennan and Vos 2013) offers the advantage of providing robust measures but does not fully reflect the potential breadth of learning claimed for simulation. This is a popular choice for financial and accounting skills but has limitations (Burdon and Munro 2017) not least that it focuses on lower level skills rather than more complex learning. Game performance in the simulation (Sauaia 2014) provides a similarly objective measure but is divorced from learning outcomes and the experience of the

learner. Attempts to develop bespoke measures (such as those in Abdullah, Hanafiah, and Hashim 2013) offer breadth and can incorporate different aspects of assessment for the simulation but can lack internal consistency.

In a higher education setting learning is constructed around learning outcomes and these are measured by summative evaluations or grades achieved. This approach is used for example by Blackford and Shi (2015) through standardized test scores and Woodham (2017) using overall course performance. Summative evaluations may be assessed by only one or two assessors but involve processes of scrutiny and moderation built on extensive experience and compliance is controlled by the Higher Education institution. These processes help to make summative evaluation one of the most direct and valuable evaluations for learning experiences. As Salas et al (2009) assert, in the absence of assessing employment based behaviors assessment of learning outcomes is the most appropriate measure of the performance of learning based on simulation.

Development of Hypotheses

In this study we draw together the measurement of learning outcomes with the processes of learning, specifically reflection through the simulation based exercise. Our research question is;

What are the relationships between reflection and learning outcomes in simulation based learning?

Based on the importance of reflection to experiential learning identified by Bloom (1984) and developed by many others we posit a basic hypothesis:

H₁: Reflection has a positive impact on learning outcomes

This fundamental inference from learning theory is included to provide the basis for analysis of the practice of reflection in the simulation, specifically to explore factors which encourage or stimulate reflection. Drawing on cognitive psychology Poole et al (2013) proposed emotion as a stimulant, Ash and Clayton (2004) proposed explicit articulation of learning as one process to stimulate reflection. Some (for example Brockbank and McGill 1998) center the reflective process on a facilitator or other external agent rather than the learner, “the role of the tutor” in reflection through learning technologies as Seale and Cann (2000) described. While predisposition, the environment and the role of the tutor are important, they are similarly important in non-simulation environments, and in the study setting were established as part of the teaching design and discounted as factors. This study focused on stimuli directly linked to the simulation. Stimuli generally involve new subject matter, allowing learners to become cognitively stimu-

lated Schön (Schön 1983; Strampel and Oliver 2007). This aligns with Rogers’ (2001) description of reflection “triggered by an unusual or perplexing situation or experience” where learners “identify a problem and make a deliberate decision to seek a solution.”

Following this description the stimuli in the simulation should involve overcoming unusual situations, perplexity and new subject matter. This should occur where learners see some form of challenge or setback. If the scenario is understood without difficulty and good decisions are made from the start, stimuli should be less. If poor decisions are followed by a shift to consistent good performance in the simulation, opportunities for reflection should be indicated. Examining performance in the simulation (measured financially) allows identification of potential stimuli. These stimuli should lead to increased reflection and therefore to improved learning outcomes. Our last two hypotheses therefore examine how learners have responded to the scenario. The first reflects an identified stimulus to reflection; overcoming setback and subsequently achieving consistently good performance. We posit that

H₂: Overcoming negative performance has a positive influence on learning outcomes

The second looks at the *lack* of opportunity for reflection. To achieve high financial performance in the simulation students need to perform well from the start. This would involve making good decisions from the start and using a priori understanding. This reduces the opportunity for reflection. We recognize other factors may outweigh this effect but *ceteris paribus* we posit that:

H₃: Financial performance in the simulation has a negative influence on learning outcome

Method

Participants were students at a business school in the UK enrolled in a final year International Marketing optional module. Total number of enrolled students was 150 (55 percent female 45 percent male). All except one were between 18 and 24 years old. 60 percent were UK residents, 40 percent non-UK. 107 students (71%) completed both surveys and the summative assessment and form the sample analyzed.

The research centered on the first assessment of the module. This involved use of the simulation “Country Manager” by Interpretive Simulations, with assessment of a final presentation on the approach to and learning from the simulation. Country Manager is a web-based simulation in which students manage a hypothetical toothpaste manufacturer in America, which intend to expand into Latin America. Students have to make decisions with regard to market data and

environmental changes in each year. There are ten years (or periods) available in the simulation and students were directed to reflect on their performance in the assessment.

Of the summative assessment 35 percent was based on reflection, the remaining 65 percent directed at the learning outcomes (final grade in the UK is out of 100). The learning outcomes involved analyzing the factors influential in internationalization of businesses, evaluating the attractiveness of international markets and applying international marketing theories and internationalization strategies. These were rendered into marking criteria as 1: Market evaluations and rationale behind decisions and 2: use of international marketing concepts. The marking criteria also involved a small component of presentation. The marks for this component correlated very closely with the other two components and when tested had no appreciable effect on the outcomes. Students were assessed in groups of 4. Students were not assessed based on their financial performance in the simulation.

To measure reflection we used the 7-point Reflection scale of Peltier (2005), which usefully separates Reflection from Intensive Reflection (largely changes to the self), Habitual Learning and Understanding. In doing this it delineates the nature of reflection tested. In the initial survey, at the introduction of the simulation, we asked students to assess their reflective learning approach across their course of study to date in the questionnaire given to them. In the final survey they were asked about their reflective learning approach in the simulation activity. This was intended to provide an opportunity for us to compare the change in self-report reflection before and after using the simulations.

The final grade (excluding the reflection component) was used as an assessment of learning outcomes, which is the dependent variable. In addition, the cumulative net contribution (profit/loss) that students generated was extracted to examine how it is related to their final grade.

Results

The first result is the non-significant change in the self-report reflection scale (1 = very low reflective learning approach, 7 = very high reflective learning approach) before and after the simulation: ($M_{\text{reflection_before}} = 5.05$, $SD = 0.56$; $M_{\text{reflection_after}} = 5.06$, $SD = 0.56$). This means that students did not report that their reflective learning had significantly changed after the simulation, though the reflective learning approach in the simulation remained high. The students' reported reflection in the simulation exercise was the same as that reported before.

Table 1. The Impact of Financial Performance and Reflection on Learning Outcome

	Learning outcome standardized coefficient	Significance level
Reflection	0.13	0.17
Cumulative net contributions	0.32	0.001
R ²	0.12	

Hypotheses H₁ and H₃ were examined using Multiple Regression, with cumulative net contribution and reflective learning as independent variables. The beta coefficients are presented in Table (1). As the table suggests, the self-reported reflective learning has no impact on the final grade, but the cumulative net contribution that students generated in the simulation has a significant positive impact. Therefore both H₁ and H₃ are rejected. Indeed the reverse of H₃ was supported by the data.

To address H₂: that overcoming negative performance has a positive influence on learning outcomes we analyzed the financial performance in the simulation of students over time. We identified two profiles which reflected overcoming negative performance, either of these might indicate overcoming negative performance/ The first reflected a substantial setback (dip in results) followed by positive performance and could demonstrate learning from reflection regarding a substantial event. The second reflected any other pattern of non positive performance with consistent growth at the end of the simulation and could demonstrate learning from experimentation and reflection.

We assessed the first as a substantial drop in performance followed by at least two results showing significant positive results and termed it "setback and recovery." The second involved any non-positive pattern of early performance followed by sustained positive results in the final three periods "positive finish." The results were grouped into four based on as follows:

- Group 1: Those who had setback and recovery and had a positive finish.
- Group 2: Those who had no set back and recovery and no positive finish.
- Group 3: Those who had no set back and recovery but had a positive finish.
- Group 4: Those who had set back and recovery but no positive finish.

The ANOVA result between groups shows that the learning outcome, measured by the final grade, is significantly different between the first three groups: ($M_{\text{group1}} = 59.55$, $M_{\text{group2}} = 67.03$, $M_{\text{group3}} = 69$, $M_{\text{group4}} = 58.96$, $F = 7.70$, $p < 0.001$). This leads to the rejection of H_2 . As with H_3 the reverse of the hypothesis was found. While positive finish had limited influence, the groups which showed setback and recovery had significantly and substantially lower learning outcomes (summative assessment grade). Put simply, one bad year cost a grade (8 or 9%) even when performance fully recovered. That is a very substantial difference equivalent to one standard deviation in the distribution of marks.

Discussion

The first and perhaps most surprising finding was that reflection had no correlation with learning outcomes measured by summative assessment. This is at odds with much theoretical work on learning which holds reflection as central to learning processes. This is despite reflection forming a (separate) part of summative assessment and the design of the environment for the exercise which conformed to recommended practice (Hughes and Scholtz 2015; Canhoto and Murphy 2016). One reason may be the difficulty of measuring such a complex construct. Set against this the scale has strong internal consistency and has been deployed successfully elsewhere (Lim 2011; Ghanizadeh 2017; Peltier, Hay, and Drago 2006). A second measurement issue is that self report may be unreliable. Students are repeatedly introduced to concepts of reflective learning and this may introduce a normative behavioral bias, and students may simply be over confident about their learning behavior. The response pattern does not align with those explanations; responses were consistent across two surveys without correlating with summative assessment. We believe the explanation is simpler; that achievement of the learning outcomes may require some reflection but more is not necessarily better. This aligns with much work on simulations and learning. Many studies support student perceptions and skills enhancement, Maher and Hughner (2005) found a simulation as valuable as a live project and Cook and Swift (2006) found it surpassed the textbook in student perceptions for example. Claims for learning beyond skills, comprehension and behavior are few. Wellington (1996) found cognitive learning much less affected than behavioral, Seale and Cann (2000) found the evidence for reflective learning in their study “not overwhelming” and Blackford and Shi found simulations no more effective than no experiential learning while case based learning was associated with higher learning outcomes for the same students.

The findings relating simulation performance with learning outcomes (assessment performance) are also consistent with non-reflective learning. Recovering from setback has a

negative correlation with assessment performance, suggesting that rather than reflection, it fosters other processes such as reduced motivation or self efficacy. With the construct of reflection removed from our model of learning, the correlation of simulation performance with assessment performance is easily explained; understanding the simulation and being able to make good decisions could have several causes, such as ability or experience which might also lead to good assessment performance without reflection. This aligns with the work of Woodham (2017). It is at odds with the importance of reflection in the experiential learning of simulations, however. It also does not support work such as that of Brady and Devitt (2016) who proposed that valuable learning could come from worse game performance through reflection.

Conclusion

The results can be summarized that in a marketing simulation based learning environment designed to promote reflection and with reflection a part of the summative assessment, no evidence was found that reflection helped attainment of the learning outcomes. Students who reflected more didn't get better grades (final summative assessments). Other factors such as simulation performance were associated with improved learning outcomes. This is consistent with some other studies.

We do not challenge that reflection has a role in experiential learning, nor do we reject the work on creating an environment to support reflective learning. We do not question the work on skills improvements through simulation or that student attitudes are positive, indeed we found the same. However this work suggests that computer simulations do not provide a basis for reflection or that beyond a certain level, more reflection does not lead to better learning.

We do not claim that just as the vampires of legend could survive very well with no reflections students can learn effectively through simulation with no reflection. The inferences possible from this study are a little more complex. Computer simulations may be popular tools with proven efficacy for lower level learning but the benefits for reflective learning have not yet been demonstrated. More broadly, it's possible enough reflection is enough.

These findings are necessarily tentative; this is a single cohort study and this is a substantive limitation. They are also very surprising and open avenues for developing understanding of experiential learning. We would welcome replication in other environments. Beyond this, existing literature on processes of learning through simulations is limited and relatively few large quantitative studies have been completed. Computer simulations allow measurement of stu-

dents' behavior across time. We would encourage further theoretically grounded studies which exploit this aspect of simulations.

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Innovation

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Enhancing Innovation Capability of State-Owned Firms in China: The Role of High-Commitment HR Practices and Its Contingencies

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Keywords: *strategic human resource management, innovation, environment dynamism, business nature*

EXTENDED ABSTRACT

Research Question

1. How do firms' high-commitment HR practices influence their performances?
2. Why firms present heterogeneity in terms of enhancing innovation capabilities even they are all committed to high-commitment HR practices?

Method and Data

Data was collected from 166 Chinese companies using survey. A Hierarchical Linear Model is used to test the hypotheses.

Summary of Findings

Innovation capability is a key driver of firms' competitive advantage. However, due to the inefficiency in utilizing the rich resources they have, state-owned firms in China are generally not competitive as private firms do in developing innovation-related organizational capabilities. This study

identifies high-commitment human resources practices as one of means by which state-owned firms in China can use to improve their innovation capabilities. More importantly, the results reveal that HCHR may work better for state-owned firms that are operating in a less turbulent technological environment and in B2B industry sectors.

Contributions

This study contributes to the existing literature by specifically examining an important but understudied firm strategy—high-commitment human resources (HCHR) practices—and investigating the roles it can play on helping state-owned firms improve their innovation capabilities. More importantly, by studying the contingent effects of environmental dynamism and firm business nature, this study identifies the boundaries of the positive effect of HCHR.

References are available on request.

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Quality Over Quantity: Innovation and Family Involvement

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Keywords: *innovation, research and development, patents, family firms*

Description: *This study examines the impact of family involvement on innovation performance and behavior in listed U.S. companies and suggests that on average family firms produce more relevant and thereby higher quality innovation output than non-family firms.*

EXTENDED ABSTRACT

Research Question

Innovation is crucial for the success, growth and survival of firms. However, innovation projects are by definition rather unpredictable endeavors, as they venture into new fields of technology. In many cases, returns can only be reaped after long periods of research and high amounts of investment. This makes innovation efforts risky—and these high levels of risk are challenging for firm owners and managers, especially in family firms. Their owners are generally more risk-averse, based on their high levels of wealth concentration and an emphasis on socio-emotional wealth and a pursuance of both economic and non-economic goals. Previous research on innovation in family firms has mainly focused on input levels, while the findings on innovation output remain mixed. In addition, the discussion around innovation output in family firms has primarily revolved around quantitative output, leaving questions regarding the quality of the output produced and the particularities of family firms in the innovation process in terms of behavior and strategy unanswered. Addressing these gaps, we offer new insights into the innovation performance of family firms, discuss quality measures for the output produced and analyze the behavior of family firms in the innovation process.

Method and Data

In line with previous studies on family firms and innovation we focus on firms from the S&P 500 index. We combine data from three different sources—financial data from

COMPUSTAT, manually gathered data on family ownership and board involvement from proxy statements and patent data that was collected in an innovative approach using web scrapers. The resulting sample includes 2,061 firm-year observations from 229 firms between 2006 and 2014 and more than 1.5 million patents and the subsequent citations. We test our hypotheses using multiple regression modeling.

Summary of Findings

This study analyzes the effect of family involvement on the innovation input, output quantity, performance and quality as well as the innovation behavior in terms of internal vs. external orientation. We find family firms to invest more in R&D and do not find a significant effect of family involvement on quantitative output. However, both our performance and quality indicators show a positive influence of family involvement. The long-term orientation and transgenerational succession ambition might lead to R&D processes that are focusing on the production of highly relevant results that secure the survival of the firm in the long run, as opposed to filing patents to achieve short-term gains. Contrary to our expectation, we find family firms to be less internally focused in their innovation efforts than non-family firms. This is surprising, as family firms were expected to be both more introvert as well as long-term oriented, which should lead to a cumulative innovation approach, in which a firm continuously builds on its own knowledge.

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Key Contributions

These findings contribute to the literature on innovation, especially in the context of family firms in three ways. First, we challenge previous findings on innovation input and output in family firms using a unique data set, thereby helping to understand how the developments in patenting behavior over the last two decades affect the efforts and results of these firms. Secondly, we use this data for a more fine-grained discussion on the relevance and quality of the output produced. Thirdly, we advance the discussion on innovation in family

firms through our findings regarding the innovation behavior of family firms. Overall, our results help to clarify how and why family firms differ in their innovation behavior, efforts and results. Besides the theoretical contributions, our study also offers managerial implications. The results help owners and stakeholders to better understand the specifics of family firms in the innovation process and enables them to leverage the companies' particular capabilities.

References are available on request.

How Does Brand Innovativeness Affect Brand Loyalty? A Test of Competing Models

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Keywords: *brand innovativeness, brand loyalty, consumer involvement, customer satisfaction, perceived quality*

Description: *The paper explains the mediating roles of perceived quality, customer satisfaction and consumer involvement in the relationship between brand innovativeness and brand loyalty.*

EXTENDED ABSTRACT

Research Question

How does brand innovativeness affect brand loyalty? This study aims to examine how consumers' perceptions of innovativeness of a brand affect an important brand metric: brand loyalty. Researchers have brought forth differing models to explain the innovativeness-loyalty relationship (e.g., Henard and Dacin, 2010; Kunz, Schmitt and Meyer, 2011; Pappu and Quester 2016). Specifically, Henard and Dacin (2010) propose that this relationship is mediated by the level of customer involvement. Whereas, Pappu and Quester (2016) provide evidence that perceived quality is an alternative mediator in the relationship between brand innovativeness and brand loyalty. These two competing models provide evidence that it is unclear how exactly brand innovativeness affects brand loyalty. Therefore, the study examines the mediating roles of perceived quality, customer satisfaction and consumer involvement through two competing models. Thus allowing the development of a better theoretical explanation on the exact nature of relationship between the two constructs and lead to effective managerial prescriptions such as increased accuracy in investment decisions and better brand management.

Method and Data

The methodology adopted for this study used a two stage approach. First in order to establish a product category, product type and specific brands within that category, a qualitative survey (n = 45) was used. Consumer electronics was established as the product category with smart phones as

product type and the brands Apple, Sony and LG representing (respectively) examples of high, medium and low perceived quality. The second phase tested the two competing models for the three smartphone brands representing varying levels of perceived quality. Valid and reliable measures for the key constructs were adopted from the literature (e.g., Anderson and Srinivasan, 2003; Olsen, 2002; Pappu and Quester, 2016; Yoo and Donthu, 2001) and exhibited sound psychometric properties. The data were collected from a consumer panel (n = 242, 50% female, ages 18-65) using an online survey and analyzed using structural equation modeling. Bootstrapping was employed for conducting the mediation analysis.

Summary of Findings

The effectiveness of two different models explaining this relationship were tested and compared. These two models were based on Pappu and Quester's (2016) BI-PQ-CS-BL model (model A) and Henard and Dacin's (2010) BI-CI-BL model (model B). The results of the analysis showed that perceived quality and customer satisfaction fully mediated the relationship between brand innovativeness and brand loyalty in Model A only for brands perceived as highly innovative (e.g. Apple) and not for those brands which were perceived as medium or low in innovativeness. The results of the analysis from model B showed that brand innovativeness-brand loyalty relationship is fully mediated by consumer involvement. However, the impact of brand innova-

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tiveness on consumer involvement and the impact of consumer involvement on brand loyalty increases as the level of perceived quality of the brands decreases. A possible explanation would be that lesser involvement is needed from consumers when they have a superior perception of quality of the brand as consumers would be more familiar with the brand and thus do not need as much information as compared to brands that have a lesser perception of quality. Taken together the results suggest a more comprehensive model that includes perceived quality, customer satisfaction and consumer involvement as mediators.

Key Contributions

The present study reconciles the conflicting findings and fills an important knowledge gap in the brand innovativeness literature. Specifically, we demonstrate the role of key mediating variables such as customer satisfaction and consumer involvement in the relationships between brand innovativeness and brand loyalty. The comparison of two different models, in the current research, contributes to the

innovation literature by identifying a model that demonstrates the more effective mediators (i.e., perceived quality, consumer involvement and customer satisfaction) in the relationship between brand innovativeness and brand loyalty. The results of this study extend prior research which examined the innovativeness-customer loyalty relationships (Eisingerich and Rubera, 2010; Kunz et al., 2011), by providing evidence for the role of important mediators such as perceived quality, customer satisfaction and consumer involvement. With the absence of perceived quality and customer satisfaction, being innovative for brands that produce high-quality goods does not add to the firm's ability to boost loyalty whereas for brands that produce mid and low-quality products may rely on being innovative to boost customer-intended loyalty for the firm. Likewise, in the absence of consumer involvement, being innovative does not enable the firm's ability to boost customer intended loyalty regardless of the level of quality of their products.

References are available on request.

Industry Informality and New Product Effects on Sales Performance in Emerging Markets: A Multilevel Modeling

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Keywords: *product innovation, sales performance, industry informality, multilevel modeling, emerging markets*

EXTENDED ABSTRACT

Research Question

Prior research on the impact of innovation on firms' performance remains inconclusive. Recent studies have reported a positive relationship between innovation and performance in emerging markets (Li and Atuahene-Gima, 2001; Li and Atuahene-Gima, 2002). Vermeulen, De Jong, and O'shaughnessy (2005) have suggested a negative impact of innovation on performance in developed countries. In a meta-analysis including studies from developing and developed countries, Rosenbusch, Brinckmann, and Bausch (2011) found that the innovation-performance relationship is highly contextual. Although prior research has addressed the impact of contextual variables on the innovation-performance relationship (Li and Atuahene-Gima, 2001), the literature has overlooked the direct implications of industry informality.

In emerging markets, firms are faced with the thorny problem of informality. Araujo (2013) described informality as a shady underground, populated by substandard products and uncompetitive practices. Informality occurs due to the presence of unregistered firms within a particular industry (Loayza, 1996). This phenomenon is common in countries where regulatory and legal obligations can be avoided due to inefficiencies in enforcing the laws (Gonzalez and Lamanna, 2007). The magnitude of this problem is considerable. De Soto (2000) suggested that the global informal economy consists of up to US\$9 trillion worth of unregistered assets. Research has shown that unregistered firms make up to 40% of the GDP in emerging markets (Schneider, 2005; Schneider and Enste, 2000). These figures suggest that informality

constitutes a powerful force which has the potential to affect registered firms in these markets. Regardless of these concerns, old and young registered firms in emerging markets continue to invest massive amounts of money in product innovation in hopes of increasing performance (Agnihotri, 2015; Freiberg, Freiberg, and Dunston, 2012). But, the question remains:

To which extent can product innovation effectively increase sales performance in industries with informality issues?

Method

The inconclusive results from previous studies are not surprising. Prior studies on the impact of innovation on performance have not acknowledged that the effects of innovation and the industry context are distinct sources of variability which should be both modeled as random influences. The current paper, thus, develops a multilevel model (MLM) to address this methodological gap (see Tom, Bosker, and Bosker, 1999).

A panel data consisting of firms nested in industries was utilized for the analysis. The dataset was divided into two levels. The first level consists of the logarithmic transformation of the firm's sales, product innovation, and the firm's age. Product innovation was coded as a dummy variable that equals 1 if the firm has introduced any new or significantly improved product. The age of the firm was calculated by subtracting the year of the firm's establishment to the year of the survey. The second level includes industry informality.

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Summary of Findings

The MLM analysis indicated a three-way interaction among product innovation, industry informality, and the firm's age. A post hoc analysis was conducted to further describe the conditional effects. We found that, in industries with informality issues, product innovation increases sales performance among young firms. The findings indicated that old firms are more likely to observe a deterioration of their sales performance when engaging in product innovation in industries with informality issues.

Key Contribution

The contribution of this paper is two-fold. First, this research highlights the moderating impact of industry informality on

the innovation-performance relationship. Second, this paper extends the product innovation research by developing a multilevel model. Marketers become more and more interested in emerging markets. A multilevel model will enable marketers to predict their sales performance more accurately when releasing new products in industries with informality issues.

References are available on request.

Leveraging Customer Participation for Product Innovation in MNE Subsidiaries

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Keywords: *customer participation, product innovation, MNE subsidiaries, China*

EXTENDED ABSTRACT

Research Question

MNE subsidiaries need to sufficiently embed internally in the MNE network as well as embed externally in the local context (i.e. dual embeddedness), which could be a double-edged sword to product innovation. In this special context, leveraging customer participation for successful product innovation is particularly challenging. Thus our research question is, does customer participation matter in the product innovation of MNE subsidiaries and how?

Method and Data

We test our hypotheses with data collected from a multi-informant survey on foreign subsidiaries across multiple manufacturing industries in China. We use Mplus software to estimate our SEM model with interaction effects. A latent moderated structural equations (LMS) approach is used.

Summary of Findings

In line with the previous studies, this study distinguishes two levels of customer participation, customer as co-developer (CPC) and customer as information source (CPI). We argue that a subsidiary can enhance its product innovation capabilities by leveraging two levels of customer participation differentially, in accordance with its local knowledge context (e.g., co-creation with local business partners) and MNE knowledge network (e.g., knowledge transfers from headquarter), which subsequently help strive for both innovativeness of new products and speed to market. We are particularly interested in subsidiary competence exploration, the product innovation capability to renew and replace existing product innovation competences with entirely new ones, which is more relevant and critical to new knowledge creation.

The results largely support our hypotheses. Specifically,

1. CPC has a stronger positive effect on subsidiaries competence exploration than CPI.
2. Local business partner involvement negatively moderates the relationship between CPI and subsidiary competence exploration, but positively moderates the relationship between CPC and competence exploration.
3. Headquarter knowledge transfer positively moderates the relationship between CPI and subsidiary competence exploration, but negatively moderates the relationship between CPC and competence exploration.
4. Subsidiary competence exploration is positively related to both product innovativeness and speed to market.

Key Contributions

Extant studies on customer participation are still inconclusive. This study helps deepen our understanding of the role of customer participation particularly in the context of MNE subsidiaries, a context in which dual embeddedness of subsidiaries has posed great challenges for product innovation.

This study sheds new lights into how subsidiaries may leverage their local context (external embeddedness) as well as MNE network (internal embeddedness) in a differential way for product innovation capabilities and outcomes, which is a void in subsidiary research.

References are available on request.

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Dear or Dare? A Qualitative Study to Elicit Consumers' Motives Associated with Autonomous Driving

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Keywords: *autonomous driving, means-end chain, qualitative method, consumer motives*

Description: *We qualitatively elicit underlying motivational structures associated with the usage of autonomous driving technology and identify three primary consumer motives.*

EXTENDED ABSTRACT

Research Question

Autonomous driving (AD) has globally gained wide attention from consumers, practitioners, and academics alike. Potentially mass marketable soon, AD will provide “full automation,” meaning “the full-time performance by an automated driving system of all aspects of the dynamic driving task under all roadway and environmental conditions that can be managed by a human driver.” While advocates publicly proclaim a bright future and dream up novel mobility experiences, consumers report considerable skepticism. Although a majority of consumers trust and use advanced driver assistance systems, they do not believe in AD. But as successful products come from the intersection of consumer need and technological competencies, consumer perception is essential for widespread adoption.

Consequently, a central question for managers and researchers regards the motivation of consumers to adopt AD. Nascent literature provides first insights into the technology's impacts in general and potential consumer behavior in particular, yet insights into the underlying motivational patterns regarding the usage of autonomously driven vehicles are missing. To enhance academia's understanding regarding consumers' perception of AD, our research identifies consumers' motives and fears regarding the usage of AD technology, by identifying the motivational structures underlying the willingness to drive autonomously.

Method and Data

We utilized the means-end chain (MEC) method, a qualitative research method for investigating cognitive motive structures in the decision making of individuals. As the results of a MEC analysis outline the values making a product or service relevant to a consumer group, they are valued by practitioners for identifying market segments and developing positioning strategies. The MEC methodology is based on the idea that the motivation to purchase or use a product or service is derived from the consumer's perception of it as a suitable means for generating pleasant feelings and gratifying desires.

To this end, the methodology links product or service attributes (i.e., means) with the utility consumers receive from a product or service and the underlying individual values (i.e., ends) consumers aim to achieve with the product or service in question. Researchers commonly differentiate between four different types of elements in a MEC framework: attributes, functional consequences, psychosocial consequences, and values. The assumed hierarchical interconnection of attributes, consequences, and values enables a detailed analysis of a consumer's usage motives and cognitive motive structures. 25 laddering interviews, reflecting the assumed hierarchical structure of MEC elements, were conducted with driver's license holders.

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Summary of Findings

We identified three overarching motivational patterns of autonomous consumers: self-fulfillment, security, and responsibility. In line with existing reasoning respondents differentiated between the themes driving and inhibiting their desire to drive autonomously.

The overarching motive of *self-fulfillment* relates to the respondents' utilitarian and hedonic values. Specifically, consumers seek for career success and social connections, highlighting that respondents envision clear usage scenarios of their disposable time when driving autonomously, such as additional working time.

The motive *security* is both a promoter and inhibitor to adopting AD. While respondents highlighted enhanced personal integrity, realized through the technology, they referenced safety concerns associated with the psychosocial consequences of an uncomfortable feeling when being only an observer to the cars' driving.

Lastly, the motivational pattern *responsibility* is perceived as a promoter and inhibitor, too. Respondents associate their desire for social responsibility in AD with striving for road-worthiness as a society, enhanced third party road safety, and relieving the environment for future generations. On the other end of the spectrum, accountability, linked to the psychosocial consequences of respondents want to take personal responsibility when driving, yet being unable to do so when merely an observer in AD environments, is an inhibitor.

Key Contributions

Current studies on the autonomous consumer have disregarded overarching motivational structures, despite their academic and managerial relevance. The present study aims to fill this gap by identifying the motives and fears associated with using AD.

We make three major contributions: First, we show that assuming a consumer perspective is worthwhile by eliciting the overarching motivational structures of autonomous consumers: *self-fulfillment*, *security*, and *responsibility*. We extend existing literature on consumer preferences in AD, by showing that consumers have a complex set of motives regarding adoption of AD. Second, we widen the academic debate on the novel role of the driver as a passenger being driven by a machine, by taking a consumer-centric approach. We show how this affects usage motives and juxtapose them with existing findings from different mobility contexts. Third, our results enable practitioners to identify potential consumer segments based on their ultimate motives and fears to bring the technology to market successfully. We find that consumers will want to utilize autonomous cars differently than they use their current cars. Autonomous cars for them are work-places and social hubs. Despite enhanced traffic safety of AD, consumers are concerned about relinquishing responsibility and handing over control to the vehicle itself.

References are available on request.

Green Crowdfunding: Extending Consumers' Role in Driving Sustainable Innovations

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Keywords: *crowdfunding, sustainable innovations, green crowdfunding, crowdfunding models*

Description: *The current article demonstrates how green crowdfunding extends consumers' involvement in driving sustainable innovations through various crowdfunding models.*

EXTENDED ABSTRACT

This article focuses on how green crowdfunding extends consumers' involvement in driving sustainable innovations. We unpack this question by exploring the business model of crowdfunding from three perspectives, i.e. funders, founders and platform. As a result, we demonstrate that consumers' influence on the crowdfunded projects goes beyond providing the capital.

Introduction

In recent years, crowdfunding—a fundraising technique allowing businesses to acquire capital from a large number of unrelated individuals, usually through the Internet (Macht and Weatherston 2014)—has become a growing source of alternative finance for entrepreneurs. The use of crowdfunding is especially relevant for green innovative projects that often experience problems to get financing despite the growing focus on sustainability. The previous research demonstrates that lack of financial resources is one of the major barriers to launching sustainable projects (Ortas, Burritt, and Moneva 2013). To overcome this challenge, crowdfunding can provide a good alternative for financing sustainable innovations focusing on social and environmental objectives. The recent development in the crowdfunding market supports this idea. Several green crowdfunding platforms have newly established and most of mainstream crowdfunding platforms include a large variety of sustainable projects.

Despite the rapid growth of green crowdfunding, research on this topic remains limited. To cover this gap, we explore the

business model of green crowdfunding from three perspectives, i.e. funders, founders and platform. Our main research question focuses on how green crowdfunding extends consumers' involvement in driving sustainable innovations through various crowdfunding models. Crowdfunding gives consumers an opportunity to vote for green products with their money not only by buying them but also by investing in their production. We therefore argue that through crowdfunding ordinary consumers may take on a more active role and support sustainable innovations from the early stage; however, the degree of consumer involvement will depend on the type of crowdfunding model. The current paper contributes to the limited literature on green crowdfunding by illustrating how consumers may become one of the driving forces of sustainable innovations.

Crowdfunding: Concept, Models and Motivations

It is possible to distinguish between four crowdfunding models, i.e. donation-based, reward-based, equity-based, and lending-based crowdfunding (Mollick 2014). In donation-based crowdfunding, funders donate money to support a certain cause with no expectation of monetary compensation. Reward-based crowdfunding offers funders various non-financial benefits in exchange for their participation. The lending type of crowdfunding represents a type of peer-to-peer loans, where funders expect to receive fixed periodic income as well as repayment. In equity-based crowdfunding, funders receive equity in the venture they support (Ahlers et

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al. 2015). The legal status of equity-based crowdfunding varies across different countries.

Crowdfunding process involves three actors, such as funders, founders, and platform. Platform provides ‘rules of the game’ and regulates relations between funders and founders. Typically, each platform specializes on one of the crowdfunding types. Roles of the platform include relation mediator (intermediary between supply and demand sides), and social gatekeeper (Ordanini et al. 2009). Funders provide money for projects; however, their role depends on the type of crowdfunding model. According to Ordanini et al. (2009), funders can act as agents (by selecting and promoting offers); shareholders (by expecting monetary reward); or donors who do not expect any reward for their participation. Founders are the creators of the projects.

In addition to anticipated extrinsic motivations, such as securing funding (for founders) and consuming products and experiences or collecting rewards (for funders), actors are motivated by social interactions realized through crowdfunding platforms (Gerber and Hui 2013). For founders these motivations include increasing awareness around their projects, connecting with others, gaining approval, maintaining control, and strengthening commitment to an idea through feedback. Funders are often motivated by the desire to help others, support causes, and be part of a community. The previous research also demonstrates that funders’ motivations vary across different crowdfunding contexts. For instance, Allison et al. (2015) argue that in the context of lending funders respond more positively to narratives highlighting the venture as an opportunity to help others, and less positively when the narrative is framed as purely a business opportunity. On the other hand, in the context of equity crowdfunding, funders are investors, who pay significantly more attention to financial risks, financial projections, and the amount of equity offered, than to social capital associated with projects (Ahlers et al. 2015).

There has not been much research on green crowdfunding; however, the existing research indicates that donation- and reward-based crowdfunding models can be successfully used for providing initial capital for small-scale and remotely located sustainable energy and green innovation projects (Lam and Law 2016). Crowdfunding is also a viable method of financing innovative R&D efforts by “green” start-ups (Lam and Law 2016). Moreover, Calic and Mosakowski (2016) find that an environmental or prosocial orientation not only increases the probability of a project reaching its funding target, but also the chance of it receiving funds in excess of the original goal.

Method

We followed a triangulation approach to gain an in-depth understanding of green crowdfunding business model from three perspectives, i.e. funders, founders and platform. We started by conducting the analysis of the green crowdfunding platforms’ websites and other supporting documents (guidelines for investors and entrepreneurs, terms and conditions, etc.) to get the insights about platforms’ design and business model. We had a special focus on four major green crowdfunding platforms, i.e. Abundance Investment, EcoCrowd, Oneplanetcrowd and JustGiving.

We also conducted in-depth interviews with representatives of three green crowdfunding platforms and representatives of eight successful crowdfunded green projects using various crowdfunding models. In the interviews with platform representatives, we focused on their business model and strategy, type of funders they have, success criteria and challenges of running a green crowdfunding platform. In the interviews with green project representatives (founders), we asked about their crowdfunding experience, reasons for using crowdfunding, crowdfunding process, and their funders. All the interviews were recorded and transcribed. The interviews were analyzed using the constant comparative method (Glaser and Strauss 1968) to identify the main themes emerging in the data.

Finally, we conducted netnographic analysis of funders’ comments following the five steps suggested by Kozinets (2010). Netnography is an online research method originating in ethnography and adapted to the study of online communities (Kozinets 2010). For our analysis, we selected funders’ comments from the “Comments” section for three large green projects published on Kickstarter platform (reward-based crowdfunding). We copied the comments from the website and analyzed them by using analytic coding and hermeneutic interpretation. We paid special attention to the funders’ motivations to support green projects.

Results

Platforms

Our findings indicate that green crowdfunding platforms engage with consumers through various crowdfunding models, and consumers’ role in driving sustainable innovations depends on the type of the model.

Abundance Investment, a loan-based green crowdfunding platform, focuses on renewable energy initiatives and connects developers of sustainable energy infrastructure projects with investors interested in long-term income. Abundance Investment acts as an arranger, distributor and

approving authority for debentures (i.e. debt instruments that are not secured by physical assets or collateral and instead only backed by the general creditworthiness and reputation of the issuer) issued by the projects hosted on the platform. The projects published on the Abundance platform are carefully selected based on their trustworthiness and risk evaluation. The majority of Abundance's users are repeat investors, and 11% lend money to five or more projects on the platform.

EcoCrowd, a reward-based crowdfunding platform, connects creators of various sustainable projects with backers interested in funding projects in exchange for some kind of reward. EcoCrowd does not cater to a narrow niche of sustainable initiatives, instead welcoming any project that scores high on sustainability of inputs and outputs. The most commonly used type of physical reward offered by the majority of projects is a EUR 20-30 jute bag with the project's logo, and many projects have no physical rewards whatsoever.

JustGiving, a donation-based crowdfunding platform, connects donors with three types of beneficiaries: charities, corporations, and individuals. A charity can set up a personalized webpage offering visitors to donate to the charity. Additionally, charities can set up campaigns gathering funds for specific purposes (e.g. humanitarian aid to victims of a natural disaster). A company can similarly create its own branded webpage to showcase charitable efforts by company's employees. Finally, individual users can use JustGiving for fundraising purposes (e.g. financing an operation for a relative).

Oneplanetcrowd uses a hybrid crowdfunding model, giving project creators the ability to choose between multiple types of crowdfunding: reward-, donation-, lending-, and equity-based models, as well as any combination of the four. In order to publish campaign on Oneplanetcrowd, one has to go through the review process conducted by the platform. The most widely represented group of projects on the platform is the reward+donation combination, followed closely by the "pure" reward-based campaign, with 66 and 57 projects respectively. The next cluster is comprised of the loan+reward combination and the remaining three pure campaign types, with 13 to 25 projects associated with each of the four. Finally, various hybrids (e.g. convertible loan + reward, loan+donation) conclude the list, with only three to seven campaigns attributed to each of these types.

Founders

The interviews with founders (project owners) demonstrate that most of them are motivated by the need for funding. For example, one of the founders explains that "*there was no*

other possibility to get different sort of funding." Moreover, many founders try to "*avoid traditional debt.*" Motivations to seek crowdfunding are however not limited to financial ones. Founders also mention that crowdfunding is a good way "*to know if people find the idea interesting*" and therefore represents a kind of "*proof of concept*." Crowdfunding campaign may also give projects good publicity: "*There is a twofold reason why. It is not only about fundraising, but also about reaching out and finding a broader audience.*" There is also a community aspect involved. Many green projects focus on the greater good, therefore, founders feel that their goals fit well with the communal spirit of crowdfunding.

Most of the founders are satisfied with their crowdfunding experience. However, they find crowdfunding process rather challenging and admit that it involved more work than what they expected: "*A lot more work than we expected. That was definitely a challenge.*" Fulfilling the rewards is especially a challenge. Therefore, some of founders argue that it can be smart to use equity-based or lending model. Moreover, they admit that financial gains can be a good motivation to invest. Still, many founders believe that the sustainable aspect of their projects partly explains their crowdfunding success.

Funders

Based on the analysis of the comments from funders, we identified the following categories of motivations. Some of the funders express environmental concern and explain that they support green projects because of the project's environmental benefits. For example, they argue that the project will do "*much good to the environment*" and thank founders for "*helping our planet.*" However, we find that product interest is the most common motivation for participating in green crowdfunding. Funders express high interest in product features (e.g. "*How will we be able to choose the flavors that we want?*") and worry about timely product delivery. The funders are also interested in the rewards such as t-shirts, thank you letters, etc. Finally, some funders invest in green projects because they wish to be a part of the project and even offer their help to the project owners, e.g. translating the project information. Table 1 provides a summary of the main findings.

Discussion

Previous studies argue that sustainable innovations experience lack of financial resources due to high financial risk and uncertainty (Ortas, Burritt, and Moneva 2013). Our findings support this argument and indicate the critical importance of consumers' involvement in funding sustainable innovative projects. However, consumers' influence on the crowdfunded projects goes beyond providing the capital. As in any other kind of crowdfunding (Mollick 2014), founders of sustainable projects admit that during their crowdfunding

campaign they get valuable feedback from consumers, which allows them to enhance their products and test the consumers' interest. Moreover, crowdfunding campaigns create positive publicity and therefore may increase the general interest in the project. In addition, crowdfunding often results in building a highly engaged consumer community around the project and this engagement continues after the end of the campaign. It is especially true for sustainable projects because the sustainable aspect fits well with the communal spirit of crowdfunding.

The consumers' role in driving sustainable innovations however depends on the type of crowdfunding model. In some cases, consumers take on a role of a donor when they provide funding without expecting financial returns (e.g. donation-based and reward-based model). At the same time, consumers' role may be extended to the shareholder status in the equity-based crowdfunding (Mollick 2014). In this case, consumers get a possibility to influence the project more actively and continue to be involved with it in the long term after the crowdfunding campaign has been finished. The analysis of the crowdfunding platforms also reveals that consumers' interest to engage in crowdfunding varies for different crowdfunding models. Lending- and equity-based crowdfunding seems to be rather attractive and have high investor return rates. Nevertheless, there is an important downside to using these crowdfunding models as their strict process of project selection may favor well-established businesses rather than developers of more innovative technologies. Reward- and donation-based crowdfunding have lower success rates; however, many consumers choose the reward-based model even when other options are available. One of the explanations is the prosocial orientation of sustainable

innovation projects that may increase the probability of a project reaching and exceeding its funding target (Calic and Mosakowski 2016).

Our findings therefore are consistent with the existing research on crowdfunding (Ryua and Kim 2016) and demonstrate that consumers' motivations to invest in innovations vary to a large degree also for sustainable projects. Despite growing consumer attention to sustainability (Freestone and McGoldrick 2008), environmental concern is not the only motivation to support the projects. Product interest and financial motives also prove to be important. Nevertheless, even in the case of lending- and equity-based crowdfunding many founders consider sustainability as an essential additional motivation for investing.

The current article contributes to the limited literature on green crowdfunding by providing valuable insights on its business model from three different perspectives, i.e. platform, founders and funders. We demonstrate how green crowdfunding extends consumers' involvement in sustainable innovations and illustrate how different crowdfunding models make ordinary consumers an important driving force of such innovations. Our findings are therefore of high value to both sustainable entrepreneurs and green crowdfunding platforms as we provide a general overview of green crowdfunding and discuss funders' and founders' motivations. However, the current study has a number of limitations and we encourage further research on the topic. For instance, it would be interesting to conduct a more systematic comparison of sustainable innovative projects using different crowdfunding models.

Tables, figures, and references are available on request.

The Influence of Parasocial Interaction in Crowdfunding: The Moderating Role of Funder Innovativeness

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Keywords: *crowdfunding, pitch video, project founder, funder, parasocial interaction, innovativeness, funding intention*

Description: *This research reveals a mechanism about how project founders in crowdfunding seeking funds can influence potential funders' funding intention through pitch video.*

EXTENDED ABSTRACT

Research Question

1. Whether engaging in parasocial interaction (PSI) with the project founder through pitch video can influence funders' funding intention or not?
2. Which characteristics of a project founder in crowdfunding can influence funders' funding intention through PSI?
3. Does the relationship in between PSI and funders' funding intention differ based on funders' sense of innovativeness?

Method and Data

This survey based study involves stimuli, which are pitch videos taken directly from the leading U.S. based crowdfunding platform Kickstarter. We adopted six pitch videos in the survey which were randomly assigned among the participants. The survey was conducted online using Qualtrics.com. The participants of this study were consisted of 212 undergraduate and graduate students (115 male and 97 female) from a university in Southern Texas area. All the items to measure the constructs used in this study were adapted from the extant literature. Exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) were conducted to assess the reliability and validity of the items. The structural model of this study was tested using PLS-SEM and data was refined using SPSS 25.0.

Summary of Findings

The results identify project founders' social, task and physical attractiveness as salient predictors of PSI, which in turn

enhances funders' funding intention even after accounting for the roles of funders' risk aversion and involvement (covariates). While, PSI has a strong positive influence on funders' funding intention. Moreover, the PSI- funding intention relationship is moderated by funders' sense of innovativeness. However, funders' innovativeness has a dampening effect on PSI-funding intention relationship; that is, PSI has a stronger influence on funders' funding intention among funders who are low in innovativeness. And, the effects of two covariates, funders' risk aversion and involvement with the project topic on funding intention were also found to be significant.

Key Contributions

This study investigates the influence of project founders' overall attractiveness appeared in pitch video on funders' funding intention in crowdfunding. It incorporated (a) the concept of parasocial interaction (PSI) in crowdfunding context. Besides, (b) the three-dimensional model of attraction was used as antecedents of PSI. Furthermore, (c) funders' innovativeness was used as a moderator to examine its impact on PSI—funding intention relationship. Lastly, (d) funders' risk aversion and involvement with the project topic were used as co variates of funding intention.

References are available on request.

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Assessing the Impact of Innovative Marketing Medium Implementation: The Role of Virtual Reality Content in Refreshing Digital Marketing Strategies

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Keywords: *innovative marketing medium, virtual reality, digital marketing, virtual reality content, innovation*

Description: *Using the context of the real estate industry and virtual reality (VR) content as the innovative marketing medium, this study attempts to understand the impact of innovative market medium implementation through an analysis of 18,222 purchase observations.*

EXTENDED ABSTRACT

Research Question

What is the impact of innovative market medium implementation?

Method and Data

This study explores 18,222 purchase observations collected from multiple listing service (MLS) of homes sold in one calendar year (i.e., November 2016 to October 2016) for a single metro-market in the southwestern United States. Virtual reality, the innovative marketing medium, is compared with other digital content commonly used in marketing for this industry. Content analyzed includes photography (25 photographs on average per listing), video (approximately 48 percent of the sample), and VR content (approximately 1.3 percent of the sample). The researchers conduct a multiple regression analysis to test the hypotheses using R software, version 3.2. A maximum likelihood approach is used.

Summary of Findings

The analysis reveals that the model explains 56% of the variance in purchase price and VR content (1) positively predicts purchase price and (2) is the largest predictor of purchase

price compared to other marketing mediums. The results show there is an opportunity for agents and firms to utilize this technology as an incremental medium within the marketing mix to help differentiate their offerings. This differentiation strategy, used as an innovative resource in early adoption, could lead a firm to a marketplace position of competitive advantage. However, we emphasize early adoption, as this effect may diminish over time with the likely diffusion of the innovative marketing medium.

Key Contributions

This research contributes to literature in three ways: (1) identification of a business application succeeding in the utilization of an innovative marketing medium during the early adoption period (2) additive to our understanding of innovative marketing in an industry dominated by small-to-medium-sized enterprise (SME) firms, and (3) additive to the strategic marketing domain arguing for the implementation of VR content (i.e., an innovative marketing medium) as a marketing strategy.

References are available on request.

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Exploring the Potential of Proactive AI-Enabled Technologies

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Keywords: *social innovation, proactive technology, nutrition management, artificial intelligence, qualitative research*

Description: *We explore an AI-enabled consumer technology that proactively manages food consumption processes with the help of a scenario-inspired qualitative study and demonstrate that delegating decisions to proactive AI prompts trade-offs between functional and psychological consumption motives.*

EXTENDED ABSTRACT

Research Question

Groundbreaking advances in artificial intelligence (AI) permit today's virtual assistants (e.g., Amazon Alexa) to develop from reactive to proactive agents which are able to initiate their own behavior and to make decisions autonomously on behalf of consumers, so as to act in advance of future occurrences (Huffmann and Chandra, 2017; Kolbjørnsrud, Amico, and Thomas, 2016; Zinn, 2017). The technology does so by applying AI and analyzing implicit information (e.g., real-time user data) instead of reacting to commands.

Early examples of proactive AI-enabled consumer technologies improve individual health management with the help of proactive, personalized medical care (e.g., goforward.com; Macintosh et al. 2016) and increase consumer welfare through pre-emptive interventions based on anticipated consumer needs (Schneider 2017). However, prior research indicates that consumers perceive intelligent technology in ambivalent ways (e.g., Rijdsdijk and Hultink, 2003; 2009). In this paper, we explore how consumers perceive proactive AI-enabled consumer technologies using the example of a nutrition agent that proactively manages food consumption.

Method and Data

We take a scenario-inspired approach to explore consumers' perception of proactive AI-enabled consumer technologies across developing and developed countries. Our empirical

basis encompasses extensive qualitative data in the form of in-depth interviews and focus groups based on a purposive sampling strategy for innovative, trend receiving consumers (Hofmann, 2015; Spiggle, 1994). In total, 30 semi-structured interviews (average age: 24; gender: 57% female; average length: 58 minutes) were conducted with informants in China (n = 10), Switzerland (n = 9), and the USA (n = 11). The sample size is in line with recommendations by McCracken (1988) and is consistent with the number of informants described in previous consumer research (Cotte and Latour, 2018; Fournier, 1998; Kozinets, Patterson, and Ashman, 2017). The interview guide was informed by a broad literature research drawing on trend studies as well as research into consumer behavior, information systems, and innovation management. Further, we conducted four focus groups (average number of participants: 4; average length: 175 minutes) with previously interviewed informants and after the one-on-one interviews (Dufva and Ahlqvist, 2015; Spiess et al., 2015). Interviews and focus groups finished when saturation was reached and no new insights were gained through additional data (Morse, 1995).

Summary of Findings

Our findings show that when employing proactive AI-enabled consumer technologies consumers perceive trade-offs between the fulfillment of functional and psychological consumption motives. We identified four such trade-offs, namely between functional consumption motives and (1) personal control, (2) social connectedness, (3) experien-

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tial rewards, and (4) individuality. These trade-offs are perceived differently depending on consumers' prevalent consumption motive and their need for support in the consumption process. We summarize our findings by developing two dimensions that explain the multifaceted perception of proactive AI-enabled technologies by consumers: the consumption motive (*functional* vs. *psychological*: referring to the consumer's prevalent, situational-dependent consumption motive) and the need for consumption assistance (*low* vs. *high*; referring to the perception of the technology as offering additional expertise in consumption processes). Based on those two dimensions, consumers perceive the technology as enabler, ideative facilitator, practical supporter, or disabler. Our framework suggests that the perception of the technology is situational and can vary among and within different consumption categories. The findings do not only reveal that the de-humanization of consumption entailing an increasingly digitalized and automated consumption experience challenges psychological needs. We also find that consumers perceive the delegation of decision power to technology as limiting their sovereignty in consumption processes.

Key Contributions

Prior research has mainly examined consumer perceptions of reactive technologies (e.g., Holzwarth, Janiszewski, and Neumann, 2006; Keeling, Keeling, and McGoldrick, 2013). Studies on technologies with a high degree of autonomy and, occasionally, with low levels of proactivity (also referred to as "smart products") yielded ambivalent results on how consumers perceive such technologies. We add to research on smart products by mapping out consumers' perceptions of an AI-enabled technology that entails a high degree of proactivity. Specifically, we unpack under which circumstances consumers perceive such technology as enabling, and when and why they perceive it as risky or disabling.

By shedding light on consumers' fears and needs in the context of this innovation and by developing practical implications we also support practitioners in increasing the adoption likelihood of this promising technology. Furthermore, we provide a research agenda for a subsequent investigation of AI-enabled consumer technologies.

References are available on request.

Limits to the Battle on a Dominant Product Standard

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Keywords: *network effects, network externalities, buying decisions, technological advancement*

EXTENDED ABSTRACT

Introduction

There are numerous cases-based analyses of prominent standards that won a fierce battle to become the dominant design. They are used as examples for the power of network externalities in deciding battles on a dominant standard as promoted by classic economic theory (Hill, 1997; Katz and Shapiro, 1985, 1986). The influence of network externalities on the prevalence of technical standards has prevented the QWERTY system from being replaced by more ergonomic keyboard standards (David, 1985). The phenomenon of increasing returns to adoption enabled VHS to succeed over Beta in videocassette recorders (Cusumano, Mylonadis, and Rosenbloom, 1992) and Ethernet to drive Token Ring out of the market for local area networks (Von Burg and Kenny, 2003). Likewise, externalities have influenced the battles between CISC and RISC processors (Khazam and Mowery, 1994), standards for digital television (Gupta, Jain, and Sawhney, 1999), and banking chipcards (De Vries and Hendrikse, 2001). Though up until now, the number of these cases has not been great enough to validate the conjecture of lethal competition between standards. In the majority of cases, multiple firms providing different standards survive on these markets and coexist in competition for buyers who in turn will raise their installed base of products. For instance, in the mobile phone industry: not everyone owns an iPhone, but Samsung, HTC, and Sony phones are equally present. Also, various credit card companies, hotel chains, and tour operators exist, and there are way more brands for sporty cars, boats, and airplanes on the market than just one even though they are subject to network externalities. To include all possible outcomes of standard battles besides a winner who takes all, this paper re-conceptualizes the formation of network externalities and complements the estab-

lished theory on network effects by introducing negative network effects that limit a standard's adoption.

The above-mentioned discrepancy between perception and evidence regarding the outcomes of battles on one dominant design still prevails in the literature. Much research on network externalities examines the role of network size rather than the underlying network effects (Shankar and Bayus, 2003). A consequence of this emphasis on size is the simplifying notion that the benefit of a networked product always grows with its installed base, whereas a robust understanding of variation in network effects remains limited.

To the contrary of classic winner-take-all markets, such as the prevalence of DVDs and video consoles, relatively little is understood about network effects in markets with multiple standards co-existing. Heterogeneity in the consumer base, which may lead to differentiated buying preferences and therefore the sustainability of multiple standards, is known from early research (Katz and Shapiro, 1994), but empirical evidence is widely missing. The limited amount of studies that do not focus on only one dominant design as outcome of standard battles are Sheremata (2004), Eisenmann, Parker and Van Alstyne, (2006) and Schilling (2005). They find that when new entrants engage in radical innovation or employ successful platform envelopment strategies, then they can outperform dominant platform firms even when their network effects are strong. These studies provide insights on how new and emerging platforms can compete with incumbents, and in turn how incumbents can retain their competitive advantage via an existing installed base (Eisenmann et al., 2006; Schilling, 2002; Sheremata, 2004). However, these studies are limited by examining only cases of bundling the

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new platform with an existing one and the availability of complements.

The existence of negative network effects has been left widely unattended in network effects research. A notable exception are Liebowitz and Margolis (1994), who voice the concern that there is no reason that a network externality should necessarily be limited to positive effects. They argue that when negative network effects were admitted, the set of goods that exhibit network externalities would expand strikingly (Liebowitz and Margolis, 1994). However, in their study they consider negative effects only for cases of overloaded networks, a phenomenon that does not occur regularly. Overall, it seems that the inclusion of negative network effects has potential to explain the limits to the battle on a dominant product standard.

The goal of this study is to identify types of network effects between standardized products that can both, positively or negatively influence the benefits for users, and to analyze the role of the installed base for these benefits. We do this by examining the buying decisions of potential users. That is, our study seeks to provide answers to the questions: “What drives the strength of network effects, and how do they manifest differently across markets and platforms? How can variation in network effects be conceptualized and measured to predict differences in competitive outcomes (e.g., single versus multiple platforms) across settings? And when and how much does quality matter in building and leveraging an installed base?” as proposed by McIntyre and Srinivasan (2017).

The empirical part of the paper examines the interplay of positive and negative network effects in the context of the sports equipment industry. Sportspeople agree on standardized equipment to compete equally in contests where they enjoy network externalities. Our sample comprises panel data from 87 international sailing boat classes registered with the International Sailing Federation (ISAF). By centering on regatta classes, the sample covers a market where multiple designs exist and both direct and indirect network effects are present. With our findings on the interplay between positive and negative network effects we contribute to the theory of network externalities and provide insights for managers in industries where a platform strategy is decisive for the company’s success.

Hypotheses

Positive Network Effects

The adoption of a good can be based on the benefit from interacting with other consumers of the same good, connectivity with the total number of current and future users. Thus, users desire complementarity with other consumer’s choices (Farrell and Klemperer, 2007) and, therefore, strive for connectivity.

Beyond physical connection, users may sense a feeling of community and therefore display social ties of belonging and sharing embedded within that group of users (Homans, 1974). These opportunities for connecting and interacting with others represent direct network effects that will attract new adopters.

Hypothesis 1a: Network connectivity has a positive influence on the number of new adoptions.

The more consumers adopt a product, the bigger the installed base of users and therefore the higher will be the benefit of connectivity and interaction within the community in the same network of products (Katz and Shapiro, 1985). Through extending the network, users gain value because of the opportunity for many new possible interactions with other users they are able to connect with. The overall size of the network strengthens this effect. A product’s installed base has a moderating rather than a direct effect, and therefore increases the adoption of a standardized product.

Hypothesis 1b: The installed base of a standardized product strengthens the positive influence of network connectivity on the number of new adoptions.

The value of a standardized product is closely linked to the availability of complementary goods (Katz and Shapiro, 1994; Schilling, 1999, 2002, 2003). In this scenario, users do not benefit directly from other consumers using the same product, but from the availability of attractive complementary goods (Clements, 2004). For many buyers, the availability of fitting complementary goods may be more important than the stand-alone features of the product and higher network intensity can be inferred. Therefore, we expect that:

Hypothesis 2a: The availability of complementary goods has a positive influence on the number of new adoptions.

A larger network of users represents a larger consumer base, willing to buy the complementary good. Thus, through an increasing network, users gain value because of the availability of new complementary goods on the market. Therefore, consumers will try to anticipate the potential number of complementary goods on the basis of the number of existing users in the network and include these expectations in their buying decisions. Thus, we propose that the installed base of platform-based products amplifies the indirect network effect of complementary goods as a moderator.

Hypothesis 2b: The installed base of a standardized product strengthens the positive influence of complementary goods availability on the number of new adoptions.

Negative Network Effects

Buyers value product attributes not only regarding utility or satisfaction of material needs but also regarding social needs such as prestige (Amaldoss and Jain, 2005). Depending on whether consumers like or dislike an increase in the number of consumers using the same standardized product, it leads to either an increase or a reduction in value of the good for that consumer (Leibenstein, 1950). Not valuing network size that much also leads to an increased value of network externalities. Therefore we predict:

Hypothesis 3a: The prestige potential of a standardized product has a negative influence on the number of new adoptions.

A negative attitude towards popular products is possible because users value certain product attributes more than the positive network externalities displayed by a large installed base (Katz and Shapiro, 1994). The value the standardized product portrays to the consumer is based on the prestige and admiration that derives from owning this commodity (Leibenstein, 1950). As these consumers do not care about the product's network and possible interactions with its members, but rather want to be exclusive, they experience loss of externality value when the network increases. The greater the installed base, the more consumers will be discouraged to buy a product that may else provide them with prestige. We propose a moderating effect of the installed base on the negative influence of prestige potential and hypothesize:

Hypothesis 3b: The installed base of a standardized product strengthens the negative influence of prestige potential on the number of new adoptions.

Staying with an already established standard prevents consumers from the use of technologically more advanced, new standards (Katz and Shapiro, 1994), and might put them at disadvantages due to relinquished technical progress (Farrell and Klemperer, 2007). New buyers who are not locked into any standard, yet, will anticipate the opportunity costs of not using the latest technology and trade it off against the established standard's positive network effects. The greater the cost of relinquishing progress, the more buyers will be discouraged from joining the old standard. They will opt for a more recent standard or wait until a new generation of this standard arrives that includes the improvements which have become possible through progress. Hence, we propose:

Hypothesis 4a: Progress disadvantage has a negative influence on the number of new adoptions.

The more users of an existing standard could benefit from better network connectivity and better conditions for fitting

complementary goods provided by a more recent and technologically advanced standard, the more will the rising opportunity costs erode the positive network externality value that once helped build the installed base of the established network. Thus, we propose that a great installed base will intensify the hesitation of new users to adopt a standard that is due for an update to a more recent and technologically advanced version.

Hypothesis 4b: The installed base of a standardized product strengthens the negative influence of progress disadvantage on the number of new adoptions.

Data

From International Sailing Federation (ISAF) we obtained annual reports on the development of 87 racing boat classes from 2001 to 2015. We double-checked the information given in these reports by requesting the presidents of international sailing class associations and complemented the data using internet services such as sailboatdata.com and sailing.org. Additionally, we consulted the International Olympic Committee as regards to the Olympic classes in the respective years. Multiple sailing experts including an Olympic medalist were asked for consultation at different stages of the project. Our data set includes all 87 racing boat classes that were registered with ISAF in the year 2011 when we started the collection of data. As ISAF recognized new classes and dropped old classes during the observation period, the panel is unbalanced. The observation period per object is 1 year minimum, 11 years on average, and 14 years maximum, resulting in a total of 1011 observations. We complemented the dataset of boats with economic data from The World Bank and OECD.

Results

The correlation matrix reveals that most variables are independent from each other. However, there are some strong pairwise correlations, therefore, separate and joint testing of the hypothesized effects were conducted: all effects remain stable. The variance inflation factors (VIFs) indicate low levels of collinearity; the mean VIF is 1.28.

Table 1 presents the panel regression results. Model 1 is the base model, containing the control variables. They behave mainly as expected.

Model 2 tests our predictions on the influence of direct (positive and negative) network effects on the dependent variable. *Hypothesis 1a* proposes that *network_connectivity* has a positive effect on the number of adoptions. The positive and significant coefficient ($p = 0.000$) in Model 2 lends support for H1a. *Hypothesis 2a* predicts that the availability

of complementary goods positively affects the number of new adoptions. The positive and significant coefficient ($p = 0.010$) in Model 2 supports this. *Hypothesis 3a* suggests that *prestige_potential* has a negative effect on the number of adoptions. The coefficient in Model 2 is negative and significant ($p = 0.001$). *H3a* is supported. Finally, *Hypothesis 4a* predicts a negative effect of *progress_disadvantage* on the number of new adoptions. The negative and significant coefficient ($p = 0.010$) supports this.

Model 3 is used to test the *b* hypotheses, where *installed_base* is supposed to amplify the positive and negative network effects to enfold network externality value. The positive and significant coefficient ($p = 0.000$) in Model 3 provides support for *H1b*. *Hypothesis 2b* predicts that the *installed_base* of a standardized product strengthens the positive relation of complementary products being available with the number of new adoptions. The positive and significant coefficient ($p = 0.000$) in Model 3 supports this. *Hypothesis 3b* suggests that the *installed_base* of a standardized product strengthens the negative effect of prestige potential on the number of adoptions. The coefficient of the interaction is negative and significant ($p = 0.000$), see Model 3. Finally, *Hypothesis 4b* predicts a negative moderating effect of the *installed_base* of a standardized product on the relation between disadvantage resulting from product progress and the number of new adoptions. The negative and significant coefficient ($p = 0.000$), see Model 3, supports this.

Finally, we examine the validity of *quality* as indicator of stand-alone value in Model 4. The coefficient ($p = 0.412$) proves that *quality* represents stand-alone value, its influence on the number of new adoptions is to be independent of the *installed_base* of other users.

Discussion

The results of this study support the view that differentiated buyer preferences allow multiple designs to arise and co-exist despite positive and because of negative network effects. Multiple dimensions of value are decisive for the escalation vs. limitation of standard battles. Our study predicts and finds that the decisions of buyers who can choose from competing standards are influenced by network effects in four ways: standards that offer many opportunities to interact with users of the same standard and standards that offer a significant number of complementary goods appeal to new users, whereas prestige potential and progress disadvantage negatively influence the decision to adopt the standard. The size of the standard's installed base amplifies each of these relationships, may they be positive or negative.

In light of these findings, it becomes obvious why some industries show fierce design battles whereas others do not.

In platform-based networks, “winner-take-all” markets are possible when the importance of stand-alone value acting as a buffer and negative network effects as decelerators of standard adoption are limited. For example, a clear winner could be observed in the fax machine industry: in order to connect with one another directly, everyone had to have access to a fax machine using the same standard for transmission. Negative network effects were almost not present as there was no desire to stand out with a unique fax machine and no major technical improvements were possible as long as phone lines used to be analog. Additionally, only little stand-alone value could be inferred as fax machines in isolation could only be used as low-quality photocopiers. This setting allowed for one dominant product standard to emerge. VHS and Blue-ray discs are complementary goods for home entertainment players adhering to these standards. These complementary goods indirectly influence the success of a standard and can only be used in accordance with an accompanied Blue-ray or VHS player. VHS and Blue-rays emerged as the dominant design as a result of competition between two standards that display strong indirect network effects, but virtually no negative network effects and no stand-alone value at all.

At the same time, distinctive product-market characteristics can allow multiple designs to co-exist. For example, multiple SUV brands compete on the market. Whereas direct network effects can be present in terrain car racing, and indirect network effects through repair service providers, prestige potential as a negative network effect and stand-alone value are the most dominant ones. Due to their body height and elevated suspension, SUVs stand out from the crowd of cars and thereby provide a massive prestige potential. Since SUVs have nowadays become ubiquitous, established SUV manufacturers invest more and more in the development of new models and product variations to still be able to allow each driver a unique feeling without switching to more exclusive brands that have introduced their first ever SUVs such as Maserati and Jaguar.

Furthermore, various Internet forums remain on the market, whether it might be talking about fashion, health, or research topics. Strong direct network effects in the sense of wanting to be able to communicate with many other users affect participants' decisions to communicate on the one or the other platform. Nevertheless, due to technological innovation, established platforms are exposed to the risk of making their users suffer from relinquishment of progress. Negative network effects limit their attractiveness and leave room on the market for competing platforms to co-exist. To regain attractiveness, providers equip their platforms with new functions frequently.

Theoretical Contributions

First, the study enhances extant research by examining what contextual factors determine the strength and intensity of direct network externalities. Our arguments extend the literature by pointing out that the installed base of a product creates no network externality value on its own but strengthens the underlying network effects that are based on the use of a product in relation to other consumers using a product of the same standard.

Our study also explains why functionally identical but slightly differentiated designs can survive in the presence of network externalities and how differentiated buying decisions allow multiple platforms to emerge and remain on the market. An approach that includes not only positive but also negative effects is needed to understand these buying choices.

Further, our study contributes to marketing literature by clarifying the role of product quality in networked markets. We show that because quality represents stand-alone value, its influence on the number of new adoptions is independent of the installed base of other users. This is decisive for a product's success, as it clearly shows that users do not only buy a product because of its prevalence on the market but also because of its quality.

Finally, with this study, we extend theoretical and empirical work on R&D and technological advancements in the presence of network effects and brand loyalty. We propose that the disadvantage of age relative to more recent standards, incorporating technological progress, lessens attractiveness, therefore users rather wait until a more recent design of their well-known product enters the market.

Managerial Implications

Our findings can help managers analyzing the different dimensions of product value, anticipating their importance for outperforming competition, and shaping their strategies accordingly. Hence, managers should invest in marketing initiatives and strategies that strengthen the possibility of direct interaction with users of the same good. Furthermore, boosting the

installed base that amplifies the positive impact of network interaction is an effective means to increase future sales.

In addition to previous studies that emphasize that complementary products enhance the value of a core good (Evans, 2003; Rochet and Tirole, 2006), we strengthen this argument. The results suggest that relationships and geographically near availability of complementary goods have an impact on platform success and may be embraced by managers. By ensuring access to complementary products, firms can succeed in attracting new users.

Our findings on the prestige potential of products provide arguments for a business model that Apple uses. On one hand the company sells the iPhone SE, targeting the mass with this phone, but on the other hand also offers the celebratory iPhone X, which is clearly marketed as an exclusive phone, even within the Apple iPhone family. In certain cases, market dominance might become less important or, in the case of luxury goods, counterproductive. Therefore, in order to grow market share, managers need to address different customer segments to account for the different preferences: a standard that attracts and speaks rather to the mass and allows connectivity with many other users of the same product and a standard that is designed to portray prestige and uniqueness and therefore is also limited to adoptions.

Finally, our study suggests that ageing designs are challenged by the superior connectivity and fit with complementary goods enabled through new technologies. Technological progress lessens an existing standard's attractiveness for new adoptions. For managers who face this development from the established standard perspective, the study points to the necessity of introducing more developed products and announcing them to make consumers wait for the next generation of the standard. By ensuring compatibility with the previous product generation, firms can increase chances of transferring their installed base to the new product generation like Apple does with introducing a new generation of iPhones every year.

References, tables, and figures are available on request.

Heuristics and Complexity in the Age of Big Data: Analyzing Knowledge and Innovation Configurations Using Fuzzy Set QCA and Correspondence Analysis

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Keywords: *big data analytics, traditional marketing analytics, fuzzy set QCA, correspondence analysis, knowledge fusion, information fusion*

Description: *This study investigates if Big Data Analytics and Traditional Marketing Analytics are complementary or competing capabilities.*

EXTENDED ABSTRACT

Research Question

Traditional Marketing Analytics is defined as analytics that are primarily used for analyzing traditional marketing activities like CRM, promotions using traditional channels like in-store, TV and newspaper ads, traditional sales channels, direct advertising, etc. Big Data Analytics is the process of applying advanced analytic techniques to Big Data for better business intelligence (Russom, 2011). Relying on heuristics or experiences to make quick decisions requires less effort, but the benefits of adapting to automatic knowledge are still not justified. This study attempts to answer the following questions: (1) How do companies combine information, data, and knowledge from different sources? (2) Should we classify Big Data Analytics and Traditional Marketing Analytics as complementary or competing capabilities?

Method and Data

To test the hypotheses, U.S.-and-Japan-based manufacturing firm product managers were selected as key informants. Using the panels from Qualtrics, this study secured 270 responses from 2065 managers. The respondents were screened according to their job titles. Only marketing, product and brand, marketing research, and R&D managers were allowed to participant in the survey. Before performing the

correspondence analysis and Fuzzy-set QCA, a factor analysis was adopted to purify the constructs.

QCA is Well-suited for data exploration and typology-building (Rihoux, 2006). Three sets of variables are examined in this section. Among them, BDA and TMA represent complementary data analytics capabilities; PK, AK, HK, and CK represent the knowledge categories, and Knowledge & Information Fusion (KIFusion) represent the complex strategy of combining different knowledge and exploiting them.

CA is suited to binary, ordinal, as well as nominal, data without distributional assumptions (Beh, 2004). CA is a simultaneous representation of social reality which uses relational and statistical procedures to generate two clouds of points: the cloud/space of individuals/individual records and the cloud/space of properties/modalities (Rouanet, Ackermann, and Le Roux, 2000). Using the QCA package with the R statistics environment, a Truth Table is generated to show the causal conditions that lead to high or low levels of complexity in the Knowledge and Information Fusion construct.

Summary of Findings

The Truth Table shows that 11 paths or configurations have been identified to reflect the causal antecedents that lead to

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the outcome construct: Knowledge and Information Fusion. Several insights can be drawn to further support the dimensions and the structure of the final Knowledge Fusion Taxonomy. Primarily, the truth table suggests that 8 out of 11 paths include BDA as a necessary condition for combining and integrating knowledge and information, which is what the Knowledge and Information Fusion construct describes. In comparison, for TMA, there are only 6 paths. In addition, out of these 6 paths for TMA, 4 paths are required to have BDA capabilities as Well. This indicates that customized knowledge is an important condition for generating Knowledge and Information Fusion as Well. The correspondence analysis suggests that the first two dimensions account for about 99.26% of the variability. The relationship between these four analytics profiles and four types of knowledge can be represented by the results generated by this correspondence analysis. Dimension 1, which accounts for 72.18% of the variance in the plot separates TMA and BDA very well. This dimension indicates a strong difference between analytics profiles of firms, with firms embracing the “High_High” TMA_BDA located on the left and other three types of firms adopting the “Low_High” TMA_BDA, “High_Low”

TMA_BDA and “Low_Low” TMA_BDA located on the right. The second dimension is ordered by four types of knowledge with Propositional knowledge (PK) and Automated knowledge (AK) at the top and Customized knowledge (CK) and heuristic knowledge (HK) at the bottom.

Key Contributions

Our findings suggests that TMA is more beneficial for the generation of Heuristic Knowledge and Propositional Knowledge than Automated Knowledge, while BDA is more beneficial for the generation of Automated Knowledge than Heuristic Knowledge and Propositional Knowledge. This further indicates that TMA and BDA are complementary antecedents, which makes the Fuzzy Set QCA analysis suitable for this study. Through identifying unique paths of TMA and BDA, the study contributes to the organizational knowledge and marketing field that companies need to manage the trade-offs when it comes to the decision making related with the selection of analytics techniques and knowledge generation.

References are available on request.

Effect of Alliance Orientation on Competitive Advantage in NPD

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Keywords: *competitive advantage in NPD, new product success, the level of alliance orientation, the consistency of alliance orientation*

Description: *This paper deepens the knowledge on the concept of alliance orientation by investigating the impact of the level of alliance orientation (magnitude of orientation) and the consistency of alliance orientation (within-orientation consistency), and further demonstrates the underlying mechanism through which alliance orientation affects new product success.*

EXTENDED ABSTRACT

Research Questions

While strategic orientation acts as a key determinant of new product success, this research aims to identify the value of alliance orientation in the context of new product development (NPD) and further articulates how the level and consistency of alliance orientation influence competitive advantage in NPD and new product success. Three main research questions are addressed in this study.

1. Does alliance orientation improve new product success?
2. How does alliance orientation affect new product success?
3. What are the different implications of the level and consistency of alliance orientation in the context of NPD?

Method and Data

Research model and hypotheses were examined by analyzing primary data gathered from 141 Taiwanese electronics companies. Senior managers were designated as the key informants of this research. Among these 141 firms, this study was able to collect objective financial performance data, return on assets (ROA), for 109 respondent firms from secondary sources. Confirmatory factor analysis (CFA) and structural path analysis were adopted to assess measurement properties and test hypothesized model relationships, respectively.

Summary of Findings

Empirical results provide support for our proposed mechanism behind the alliance orientation—new product success link. More specifically, the results suggest that alliance orientation

affects competitive advantage in NPD process (NPD decision-making flexibility) and competitive in NPD program (product program innovativeness in terms of meaningfulness and newness), which in turn improve new product success. In addition, the effects of alliance orientation on competitive advantage in NPD process and program are amplified when a firm consistently implements a series of specific alliance management activities (i.e., alliance scanning, alliance coordination, and alliance learning). Furthermore, the results indicate that market turbulence and competitive intensity differentially moderate the relationship between competitive advantage in NPD and new product success.

Key Contribution

This research contributes to the literature in several aspects. First, by using the dynamic capabilities perspective as the theoretical foundation, this study contributes to the extent literature by articulating the underlying mechanisms through which alliance orientation improves new product success. Second, this study highlights the importance of the consistency of alliance orientation by providing empirical evidence for its critical role in the alliance orientation—competitive advantage in NPD link. Third, this research provides some new insights into the relative importance of competitive advantage in NPD program and process in the presence of varied environmental conditions. Finally, some specific managerial guidance in assessing and managing NPD activities is further offered.

References are available on request.

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Two Routes to Market-Sensing and New Product Development Performance

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Keywords: *central market-sensing, peripheral market-sensing, customer engagement, employee proactivity, idealized leadership*

Description: *This paper looks into the different roles of central market-sensing and peripheral market-sensing in firm performance.*

EXTENDED ABSTRACT

Research Question

How does different types of market-sensing influence different types of product innovation activities on NPD performance?

Method and Data

To have a better understanding of the phenomena and test our hypotheses, we conducted a large scale multi-responder, multi-stage survey in USA. We developed measures for central marketing sensing and peripheral marketing sensing following standard approach for measurement development (e.g., Campbell and Fiske, 1959; Churchill 1979; Gerbing and Anderson 1988). Measures for other constructs were adopted from previous studies: exploitative product innovation and explorative product innovation (Atuahene-Gima, 2005), customer engagement (Mu, 2015), employee proactivity (Morrison and Phelps 1999; Van Dyne and LePine 1998; and Grant et al., 2011), idealized leadership influence (Bass and Avolio 1995), environmental dynamism (Jaworski and Kohli, 1993), R&D (Burgelman, Christensen, and Wheelwright, 2009), and NPD performance (Gatignon and Xuereb, 1997; Mu, Zhang, and MacLachlan, 2011). The measures for firm size, firm age, and industry types were from archival sources. The measures for employee education level, years of work experience, positions were also based on archival data from firms' human resource department.

Summary of Findings

We demonstrate that both central market-sensing and peripheral market-sensing positively contribute to new product development performance. Central market-sensing positively impacts exploitative product innovation whereas peripheral

market-sensing positively influences explorative product innovation. Moreover, customer engagement, employ proactivity, and idealized leadership influence mediate the positive impact of peripheral market-sensing on explorative product innovation. Idealized leadership influence mediates the effect of central sensing on exploitative product innovation. Finally, the results confirm that environmental dynamism weakens the impact of central market-sensing on exploitative product innovation but it strengthens the impact of peripheral market-sensing on explorative product innovation.

Key Contributions

We made two theoretical contributions to the literature. First, the market-sensing literature tends to ignore the different roles of central market-sensing and peripheral market-sensing in firm performance. Accordingly, research on the link between different types of market-sensing and firm performance is relatively underdeveloped. In this research, we categorize market-sensing into central market-sensing and peripheral market-sensing and we empirically demonstrate the different roles of two market-sensing on different types of product development performance.

Second, we build a model that connects the interplay of market sensing with customers, employees and leaders in accounting the role of environmental dynamism. The novelty of research model lies in that it demonstrates the mediating mechanism and moderating mechanism of market-sensing on firm performance outcomes.

References are available on request.

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Big Ideas and New Methods in Marketing: Dynamic Marketing Capabilities Concept Application to the New Product Creation and Innovation Process in the Swiss Luxury Watchmaking Industry

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ABSTRACT

Trying to identify marketing factors that influence new product creation as well as innovation process, this study adopts resource-based theory and applies it to the Swiss luxury watchmaking companies. This paper presents results of qualitative research based on semi-structured interviews with CEO and Marketing managers among Swiss luxury watchmaking companies. We present a set of suggestions that outline how dynamic marketing capabilities could benefit new product creation and innovation process, creating competitive advantage in the highly competitive Swiss luxury watchmaking industry.

Keywords: *dynamic marketing capabilities, luxury marketing, resource based theory, innovation, Swiss watchmaking*

Introduction

Nearly 70% of the Swiss watch market is represented by major groups that are among top luxury watch producers (Swatch Group, Richemont, LVMH, Kering and Rolex), bringing together about fifty well-known brands worldwide. There are also numerous independent brands trying to compete with these “heavy-weighters.” According to the estimation made by the Institute of Watch Marketing, there are approximately two hundred active Swiss watch brands on the market today. Under condition of such competitive market more and more companies are obliged to create a new way of dealing with concurrence and create competitive advantage based on internal resources. The challenge here concerns not only market share and product management but also the innovation processes.

This context leads us to formulate the following research question: What are the main peculiarities of the DMC application to new product creation and innovation process in Swiss luxury watchmaking industry.

The first section of this article highlights background and methodology of current research paper. The second section presents conceptual framework concerning resource-based theory and dynamic marketing capabilities. The third section presents the results of the qualitative study and discuss them. The final section presents conclusions and further researches avenues.

Methodology

In this article, we apply a two-step approach that brings together literature review and exploratory qualitative research. First, we proceed to the analysis of scientific publications concerning resource-based competitive advantage and dynamic marketing capabilities.

Therefore, to gain a deeper understanding of the resource based theory and to strengthen it with empirical findings we proceed to qualitative research (semi-structured interviews with CEO and Marketing managers) among twenty Swiss luxury watchmaking companies as the second part of current

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research. We choose to mobilize a convenience sample of companies including independent companies as well as companies-members of the main Swiss watchmaking groups. We made a specific focus on top managers involved in the product development and decision-making processes in order to identify the peculiarities of their “organizational” capabilities.

This approach and choice of participants, allows us to collect and confront different insights coming from «industry-based» perspective. The key issues addressed were: a) characteristics of the key company’s resources; b) innovation process organization; c) the main actors inside and outside the company active in innovation processes, d) market sensing activities. Qualitative research method was selected with the aim to generate data rich in details and embedded in context. (Maxwell, 2013). This study will allow us to enlarge and enrich previous theoretical foundations of the resource-based theory and illustrate it with insights coming from Swiss luxury watchmaking industry.

Conceptual Framework

Last decades have seen an important economic shift from manufacturing to information and knowledge-driven services. This shift has been accompanied by an increase in the importance of intangible assets and capabilities. Thus the source of competitive advantage has changed from mostly manufacturing assets to market based intangible assets and capabilities (Ramaswami et al., 2009).

The resource-based theory (RBT) provides an important framework in explanation and prediction of the firm’s competitive advantage and superior performance based on market based insights (Barney and Arikan, 2001, Vorhies and Morgan, 2005). RBT considers a company as an idiosyncratic mix of resources and capabilities that are available for application by various departments in the company and are very difficult to imitate by competitors (Teece et al., 1997).

According to Barney and Hesterly (2012), sustainable competitive advantage results only if resources are simultaneously valuable, rare, imperfectly imitable, and exploitable by the firm’s organization (VRIO). This VRIO framework has acknowledged that resources need to be leveraged effectively by the organization, instead of simply possessed by the firm. Even if a resource is valuable, rare, and imperfectly imitable, a firm must be “organized to exploit the full competitive potential of its resources and capabilities. According to Newbert (2008), performance improvement is not directly a function of the value or rareness of a firm’s resource-capability combinations but rather of the advantages it creates from their exploitation.

Then, through insightful theoretical development researchers have expanded the RBT into the concept of dynamic capabilities. Specifically, dynamic capabilities are defined as the ability to build, integrate, and reconfigure internal and external intangible resources to address rapidly changing environments (Winter, 2003).

Teece et al (1997) and Eisenhard and Martin states that sustained competitive advantage could be based on the firm’s renewal and reconfiguration of its resources and capabilities through dynamic capabilities. The dynamic capabilities view changes from the resource-based view of the firm (Barney, 1991), by its attempts to the explanation of the conditions under which firms achieve competitive advantage based on their resources and capabilities (Molina et al., 2014).

Furthermore, researchers have increased conceptual understanding of the role of marketing in enabling firms to create and sustain competitive advantage and superior performance (Ramaswami et al, 2009). In accordance with potential to improve business performance, some studies (Bruni and Verona, 2009), have introduced the term ‘Dynamic Marketing Capabilities’ (DMCs hereafter).

In fact, DMCs are specifically focused on releasing and integrating market knowledge that helps firms evolve. Developing DMCs could constitute the real basis for sustainable competitive advantage and superior performance in most competitive sectors (Molina et al, 2014).

Fang and Zou (2009) define DMC as the responsiveness and efficiency of cross-functional business processes for creating and delivering customer value in response to market changes. It is this focus on customer value that distinguishes DMCs from dynamic capabilities in general. According to Bruni and Verona (2009) DMC are those capabilities aimed specifically at developing, releasing and integrating market knowledge that helps firm evolve.

Main Findings and Analysis

Analysis of semi-structured interviews with the CEO and marketing managers of the Swiss luxury watchmaking companies lead us to a number of findings concerning the role of DMC in the new product creation and innovation processes.

Most of the Swiss high-end watchmaking companies are traditionally founded focusing on specific kind of watch and technological expertise in it. Often, these companies tend to develop and grow by mastering their technological competences.

As it comes from our research nowadays rare are companies that uses dynamic DMC. Those who do it, use these capabilities mostly for new product creation and its quality as

well as for reconfiguration of their innovation processes. Even if the majority of companies confirmed the importance of DMC, it is very difficult to implement them on practice due to the complexity of the numerous stages of industrial production, various operations and partners. Furthermore, very few companies use DMC in order to adjust their business models, create additional value proposition, or customer's relations.

DMC application to new services configuration around the brand and consumers relationship were indicated very rarely by some companies active mostly on the niche market of very-high-end sophisticated personalized or even co-created watches. In order to get more inputs, these luxury watchmaking companies propose (online or offline) configuration and personalization of watches according to the wish of the customer. *"For very special demands we propose exclusive watch configurator that goes further than just a personalized design of the watch – the heart (the movement) is personalized and it impacted all the watch after all. Thus, we are talking about absolutely new way of dealing with clients by putting them into the center of our attention."*

Largely applied in other industries this "configuration" approach is considered to be a niche in Swiss luxury watchmaking. As stated by the participants of the study, this allows acquiring additional source of the information about clients, their preferences and apply it not only to the limited versions of the high-end watches, but also enrich and modify the main collections.

The main factors encouraging the innovation process in the company were identified as the culture of dialogue, open-minded managerial vision and support of professional perfection of the employees. The key resources company has for innovation are highly experienced employees, vision of the managers encouraging creativity and flexibility of the production capacities of the company *"Management of the trans-hierarchical and trans-functional exchanges and internal culture of the dialogue could be even more important as an organized and structured department for the innovation."*

Thus, the size of the company is also very important, because it will be very difficult to adjust a production line to changes in various processes. *"Innovations takes time. Swiss watchmaking industry does not really have a lot of free time, because every year we have to present something new. It is almost impossible in these conditions to concentrate on the big changes and strategic vision. Moreover, it could be dangerous to fix the vision of the company only in this direction."*

As it was stated previously, most of the Swiss high-end watchmaking companies founded focusing on specific kind of watch and technological expertise in it. Often, this type of

companies tend to develop and grow by mastering their technological competences. In parallel to a very important role of outstanding technological capabilities (conception and manufacturing of the high-end watches), the competitive landscape is identically very complex. Various forms of distribution channels, marketing channels, geographical positioning and strategic partnerships could explain this complexity. All these actors and processes between them create valuable insights on the market, feedback on the product and customer preferences. Meanwhile, rare are the companies doing organized market-sensing activities. Most of the companies still perceive their status of the luxury companies that has no need to adapt to the changes in customer behavior and listen to their voice.

Traditionally, informal communication takes the most important part in the Swiss luxury watchmaking industry. As far as "watchmaking cluster" (approximately 90% of all production capacities, suppliers and sub-contractors) is situated within 300 km region of Northern Switzerland, numerous information exchanged in the informal manner. *"We don't do many studies about the industry in general, we don't need it as we are a luxury brand and we decide what customer will see in our boutiques, but informal exchange with our relations in other brands, keep us informed on the changes in the industry."* Professional fairs and exchanges between various participants, contacts with partners and suppliers, competitive intelligence and benchmarking with other industries are the main drivers of the market sensing activities in Swiss luxury watchmaking industry. *"it is always important to see what is happening outside Swiss watchmaking industry in order to add some novelties to our products, in terms of materials and complications"* we could sum these activities to networking.

As for external factors that in many other industries could influence application of the DMC in the company, in Swiss luxury watchmaking industry the vision stays very traditional and little changes were mentioned even when the situation on the market is quite turbulent.

To sum up our findings, we could state that in such a "product centric industry" as Swiss luxury watchmaking companies applies DMC mostly in the area of product development and innovation process. Client relationships, business model or branding is not really a subject of questioning or in a very few cases.

Scientific and Managerial Contributions

Traditionally, the resource advantage theory was predominantly constructed on the theoretical level. In our opinion, such approach could be considered as the key drawback of scientific discourse. Recognition that science and practice produce distinct forms of knowledge has been longstanding.

According to Van de Ven (2007), the gap between theory and practice may be a knowledge production problem. The aim of the current research is to suggest a *vice versa* point of view and to highlight empirical evidence coming from practice. It provides and allows for the analysis and structuring of empirical data gathered in the Swiss watch-making industry.

The main purpose of this study is to highlight how it is possible for a Swiss luxury watchmaking company to create new products and organize innovation process based on internal resources and capabilities.

Managerial contribution of this article lies in best practices illustration that could be used as a support for strategic decision-making in Swiss watch-making companies.

The novelty of this project lies in its empirical approach applied in order to develop RBT application to the Swiss watchmaking industry based marketing managers and CEOs semi-structured interviews. Thus, with such empirical findings we attempt to provide a valuable contribution to the overall applicability of resource advantage theory for industrial enterprises.

Research Limitations and Avenues for Further Research

The main limitation of this research lies in its nature. The exploratory research helped us to identify the key resources that could help the company to create new products and develop new type of innovation process. However, this does not allow us to understand the depth of this phenomenon. To do this, it would be appropriate to cross-identify elements between them in order to find out what are links between them and to analyze what is the importance and influence of each identified factor on the construction of competitive advantage based on dynamic marketing capabilities.

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Knowledge Sharing and Innovation Performance in B2B Industries

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Keywords: *team decision making, new product development, customer knowledge, knowledge sharing, cognition, diagnostic value*

Description: *Field data from multiple B2B industries reveal that when it comes to customer knowledge sharing in NPD teams, more is not better, and that NPD performance is higher when the perceived diagnostic value of customer knowledge in the team is greater.*

EXTENDED ABSTRACT

Research Question

We aim to address the following research questions: (1) How do customer knowledge sharing behaviors in B2B NPD teams impact NPD performance? (2) What is the underlying socio-cognitive mechanism for this impact?

Method and Data

Our hypotheses are:

H1: Customer knowledge sharing behaviors within an NPD team exhibit a curvilinear relationship with NPD performance, following an inverted U-shaped pattern.

H2: Shared common customer knowledge in an NPD team mediates the effect of customer knowledge sharing behaviors on NPD performance, such that customer knowledge sharing behaviors are positively related to shared common customer knowledge, and subsequently, an intermediate, rather than a high or low level of shared common customer knowledge leads to the highest NPD performance.

H3: The perceived diagnostic value of customer knowledge in an NPD team moderates the curvilinear relationship between shared common customer knowledge and NPD performance such that the impact of shared common knowledge on performance is greater when the perceived diagnostic value of customer knowledge is high rather than low.

The conceptual framework is tested with two survey studies. In Study 1, we test and establish the nonlinear effect of cus-

tomers knowledge sharing behaviors on NPD performance in a biotechnology industry setting. In Study 2, we utilize a field survey in the shipbuilding industry to shed light on the mechanism through which customer knowledge sharing behaviors impact NPD performance. Each study involved a team leader survey and a team member survey.

Summary of Findings

Despite the intuitive and widely acknowledged importance of knowledge sharing, researchers have often failed to observe a positive effect of knowledge sharing on team performance. This raises the question: Does knowledge sharing have a positive effect on an NPD team's innovation performance and, if not, then what influence does it have, and how? Our research addresses these questions and offers new insights for research and practice. Contrary to "the more, the better" assumption, customer knowledge sharing behaviors in a team has an inverted-U shaped effect on NPD performance. Adopting a socio-cognitive perspective, we identify shared common customer knowledge in the team as a mediator through which this curvilinear effect occurs. Further, these effects are moderated by the perceived diagnostic value of customer knowledge, such that NPD performance is higher when the perceived diagnostic value of customer knowledge is greater.

Key Contributions

This research makes four main contributions. *First*, advancing prior work on NPD performance, we theoretically argue for and isolate a nonlinear effect of customer knowledge sharing

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behaviors on NPD performance. This contrasts with previous research that revealed either linear or nonsignificant effects. The inverted U-shaped effects uncovered in this paper caution marketing managers against an excessive emphasis on knowledge sharing. *Second*, we conceptualize and empirically demonstrate the distinct roles of customer knowledge sharing behaviors and shared common customer knowledge and demonstrate that the latter mediates the former's impact on

NPD performance. *Third*, we establish that the perceived diagnostic value of customer knowledge moderates this mediating effect such that NPD performance is higher when the perceived diagnostic value of customer knowledge is greater. *Fourth*, this paper adds to the sparse empirical literature on knowledge sharing within B2B NPD teams.

References are available on request.

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- Modeling Consumer's Contractual Decision in a Continuous Innovation B2B Market with a Forward-Looking
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- Individual-Level Carryover Parameters in Reference-Price Models
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A Structural Analysis of Correlated Learning: The Case of Anti-Cholesterol Drugs

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Keywords: *correlated learning, late-mover advantages, clinical trials, detailing*

Description: *This research structurally investigates correlated learning.*

EXTENDED ABSTRACT

Research Question

Does information spillover (correlated learning) across products exist in a pharmaceutical market?

Method and Data

This research makes use of four different data sources: (i) product level quarterly prescription volume and detailing data for the Canadian statin market from IMS Canada; (ii) product level quarterly prescription switching rates between statins and discontinuing rates from Ontario Health Insurance Program (OHIP); (iii) landmark clinical trials obtained from published medical journals, and a meta-analysis which summarizes statins' efficacy in the lowering the bad cholesterol; (iv) news articles covering statins collected from Factiva.

We employ a Bayesian learning model with correlated priors to answer the research question.

Summary of Findings

The estimation results show that physicians' initial prior belief on the efficiency ratio is relatively low and they learn about its true value from noisy signals generated by clinical trials. However, the initial prior on the correlation of efficiency ratios across statins is high, and that leads to positive correlated learning across statins. This implies that after reading the results of a clinical trial, physicians will not only learn about the efficiency ratio of the statin being studied, but also update their beliefs about the efficiency ratios of

other statins not being studied in the trial. Moreover, we find that publicity in reducing the heart disease risks dimension increases physicians' chance to learn about clinical trial results. Our estimation results suggest that there is information spillover of landmark clinical trials across drugs. This, together with the fact that two late entrants, Lipitor and Crestor, are more effective in reducing the bad cholesterol (compared with the older statins), allows them to gain late-mover advantages, and grow much faster than they otherwise would.

Key Contributions

We develop a new structural model of physicians' prescribing decisions under uncertainty where physicians can learn about the quality of drugs through correlated learning. We define a variable, "efficiency ratio," which measures how efficiently a drug can convert reduction in cholesterol levels to reduction in heart disease risks. We assume that physicians learn about the efficiency ratio for each drug from landmark clinical trials and allow physicians' initial prior perceptions of the efficiency ratio to be correlated across drugs. We find that the initial prior perceptions on the efficiency ratio are positively correlated. This information spillover allows late movers (especially for Lipitor and Crestor) to significantly benefit from incumbents' clinical trials on proving their drugs' efficacy in reducing heart disease risks.

References are available on request.

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Modeling Consumer's Contractual Decision in a Continuous Innovation B2B Market with a Forward-Looking Dynamic Approach

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Keywords: *contract, B2B market, technology service, cloud computing, dynamic structural model*

Description: *we propose a dynamic structural approach to understand a B2B buyer's contractual decision process in a continuously developing technology service market.*

EXTENDED ABSTRACT

Research Question

The technology service of cloud computing in the B2B market possesses several features that challenge the service provider's strategic decision making. First, B2B buyers sign a contract when purchasing the service. The revenue of the technology service mainly comes from the length of the service contract that the B2B buyers purchase. Second, the firm's pricing strategies of the service ties to the length of the service contract that the consumer signs. Third, despite the purchase incentive, buyers address the technical concerns, such as security, capability, privacy and integrity etc. toward the emerging technology service of cloud computing. Therefore, to maintain advantages in the market, the service provider needs to keep on improving the service-related technology. Last, the B2B buyer's decisions are more sophisticated and strategic when balancing the benefits and the risks of the service contract.

In the turbulent market, the service providers are struggling with making a strategic plan on how to manage the adoption of technology in the service and the pricing strategy to optimize the contract revenue. To aid the service provider's strategic decision making, we aim at addressing the following research questions in the paper: (1) how to quantitatively evaluate the B2B consumer's contractual decision process in

the continuous evolution technology service market? (2) when the service provider adjusts the technology adoption in the service, how will the B2B buyer's contractual decisions change? and (3) what is the optimal pricing strategy for the service provider to maximize the contract revenue?

Method and Data

We obtained a three-year cloud-service transaction data from a global Fortune 500 technology service company (service provider). With the well-established brand reputation, the company has cultivated a strong and loyal relationship with nearly 2,000 customers in both industrial and scientific areas in the U.S. market. To successfully expand its business, our focal company introduced the cloud service to its loyal customer group in the late 2000s and, in the meantime, collected customer cloud transaction data to understand their purchase behaviors on the service.

In this paper, we extract the valuable information from the data to model the B2B buyer's contractual decision process in a continuously developing technology service market. Specifically, we propose a dynamic structural approach to account for the following aspects in one holistic model framework. First, the buyers form expectation on the future values within the contract duration to optimize the current

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contractual decisions. This is a dynamic forward-looking behavior. Second, the contract length that the B2B buyers face is not discrete choices set by the provider, but continuous decisions because the buyers have the authority to choose a contract length that they prefer. Third, both the technology evolution and the firm's contract-associated pricing strategy complicate the B2B buyer's decision process.

Summary of Findings

Several pivotal findings are summarized as follow. We notice that the technology evolution pace has a quadratic relationship with the contract length decisions. These results imply that technology evolution can be both beneficial and risky to the service provider. On one side, the technology evolution attracts more buyers' purchase attention and boosts up the service revenue. On the other hand, it reduces the buyer's devotion to a longer contract. Consequently, the service provider could face higher operation cost when dealing with contracts more frequently. Our policy simulation further demonstrates that, the current pricing strategy is not optimal, and the service provider can maximize the revenue by adjusting the unit price discount for a long contract. The total revenue has an optimal increase of 5.38% by offering 15% more price discount for a long contract.

Key Contributions

In this paper, we develop a structural modeling approach to understand the impacts of both service-related technology evolution and the firm's pricing strategy on the B2B buyer's contractual decisions in a continuous innovation technology service market. From modeling perspective, we contribute to the forward-looking dynamic models by integrating the three key features of the market, e.g. the B2B buyer's dynamic contractual decisions, the technology evolution and the firm's pricing strategy, into one holistic modeling framework. More importantly, these key features are not directly used as control variables or covariates in the utility function but integrated into the dynamic programming process as state variables determining the contract-associated value. Our study also provides substantive insights to aid manager's strategic decision making. We address that, in this novel and fast developing technology service market, service providers need to realize that the technology evolution can be both beneficial and risky to the service provider. Therefore, understanding consumer's decision process is the key to better manage the adoption of technology in the service. Further, we empirically demonstrate that, managers can implement strategic plans on pricing strategies to optimize their revenue.

References are available on request.

Individual-Level Carryover Parameters in Reference-Price Models

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Keywords: *reference-price models, consumer heterogeneity, hierarchical Bayes, Hamiltonian Monte Carlo*

Description: *We propose a hierarchical Bayesian brand-choice model with individual-level carryover-parameters in reference-price formation to capture more realistic choice behavior.*

EXTENDED ABSTRACT

Research Question

Reference-price models have a long-lasting history in marketing and consumer research. However, previous studies have not fully considered heterogeneity in the so-called carryover parameters. These parameters determine the non-linear influence of past choice situations on current utility and capture important behavioral concepts like memory-based reference-price formation. Previous research has not solved the problem of estimating these carryover parameters on an individual-level basis. Unobserved heterogeneity for the carryover parameters can explain the short- vs. long-term memory of consumers in reference-price formation with important implications for consumer research and pricing strategies. Our study aims to fill this research gap and shows how to uncover the individual-level carryover parameters in reference-price models.

Method and Data

For our study, we use the yogurt dataset from Jain et al. (1994). This panel dataset has 98 consumers ($N = 98$) with at least four purchases during the data-collection period (around two years). The consumers choose among four brands, namely Dannon, Yoplait, Hiland, and Weight Watchers. We propose a hierarchical Bayesian multinomial logit model using a Hamiltonian Monte Carlo method to uncover the individual-level carryover parameters in our reference-price model.

Summary of Findings

Our model shows improved model fit compared to previous approaches and provides new insights into consumer response concerning reference-price formation. We observe significant heterogeneity for the carryover parameters of the memory-based reference-price. In addition, the means of the heterogeneous carryover parameters are lower than estimated homogenous values. Thus, even if one is not interested in heterogeneity itself, ignoring it can lead to biased aggregated results. Individual-level results are also important for optimal pricing decisions. Hence, we conclude that obtaining consumer's short- vs. long-term price memory will improve the profitability of pricing strategies based on reference-price formation.

Key Contributions

First, we improve the current practice in reference-price modeling when it comes to estimating carryover parameters. The importance of unobserved heterogeneity in consumer response will be extended to these non-linear, indirect utility drivers with potential improvements in model fit. Second, our results provide additional insights concerning heterogeneity in short- vs. long-term memory in reference-price formation. This will increase the body of knowledge in consumer research and enable marketing managers to further optimize their pricing strategies.

References are available on request.

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The Freshman Fifteen: Modeling Millennials' Cooking Motivation

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Keywords: *cooking, activity consumption, choice model, human capital consumption motives, millennials*

Description: *This paper models the choice between cooking and eating out for millennials after they leave their families' nests for college via a human capital and activity consumption setting.*

EXTENDED ABSTRACT

Research Question

This paper explores the link between three consumption motivations (i.e., self-efficacy, social, and hedonic) and cooking, and measures costs of cooking vs. eating out.

Method and Data

Data are collected through focus groups and surveys conducted in two large U.S. cities. In-line with the research question, respondents are millennial college students. The choice model is estimated using a binary logit model by maximum likelihood.

Summary of Findings

We find that, self-efficacy is a strong motive for cooking. We also show that the hedonic motive tends to be negatively related to eating at home or cooking: people who view cooking as pleasurable tend not to cook as much as others, and that eating out is used as an infrequent change of routine for those who normally eat at home. Finally, as expected, we

show that cooking time is inversely related to the probability of eating at home or cooking, however, we find a strong positive interaction between skill and time cooking.

Key Contributions

This work is among the first multiple-method empirical analyses to model cooking behavior as an activity consumption. Our findings uniquely link activity consumption motivations to cooking, and measures costs of cooking vs. eating out.

Our results indicate that there is a potential benefit to students from teaching them how to cook (at the possible cost of reducing demand for the university dining service). Practitioners can encourage millennials transitioning through college to cook by including information on how to cook a variety of recipes without special equipment, and by focusing on self-efficacy as a motivation.

References are available on request.

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Consumer Odor Hedonics: Conceptualization and Measurement

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Keywords: *consumer odor hedonics, consumer odor hedonic scale, odor, emotional ability*

EXTENDED ABSTRACT

Research Questions

1. How does consumer odor hedonics affect their affect-driven (willingness to pay) and judgement-driven (attitude, preference, satisfaction) behaviors?
2. How does emotional ability affect consumers odor hedonics on product related decision making?

Consumer Odor Hedonic Model

We integrated the proposed consumer odor hedonics construct into a conceptual framework that we refer to *consumer odor hedonic model*. This model develops formalized theoretical relationships between consumers' perceptions, emotions and behavior based on sensory marketing framework (Krishna, 2012). We also use the Stimulus-Organism-Response (S-O-R) framework (Mehrabian and Russell, 1974) to explain the relationship between odor hedonic perception and consumer behavior as well as to elucidate the mediating roles of emotion and cognition play in this relationship (Morrin, 2010). The COHS allows us to test five hypotheses to confirm the nomological validity (Campbell, 1960) of the new measure.

Method and Data

We tested our model using experimentation in a sensory laboratory in a metropolitan Australian city. We conducted four studies and collected data via a Qualtrics® survey from 727 participants. We used within subjects experimental design to increase the generalizability of the instrument (Singleton and Straits, 2010). We tested 19 product scents selected from Wine Aroma Wheel (Nobel, 1984 and 1987). We recruited participants from the local population using probability sampling. The sample age ranged from 18 to 39 years (Boesveldt

et al. 2011) and non-smokers (Cain, 1979 and 1987). To operationalize COHS, we adopted and adapted measurement items from past research. We conducted exploratory and confirmatory factor analyses and four types of reliability and validity tests: coefficient H, composite reliability, cronbach's alpha coefficient, and average variance extracted, to provide evidence regarding the factor structure, scale reliability, and discriminant validity.

Summary of Findings

The hypothesized one-factor model fitted the data well for all 19 odors. All factor loadings were large and statistically significant indicating convergent validity (Anderson and Gerbing, 1988). The overall goodness-of-fit results and the measurement model supported the proposed one-factor model. The results of the confirmatory factor analysis further confirmed that consumer odor hedonics construct is unidimensional and the theoretical structure of a six-item scale. The results further revealed that this factor has a statistically significant direct and indirect effects on consumers' willingness to pay, purchase intention, purchase frequency, attitude, satisfaction, and odor imagery. Both positive and negative affect partially mediated the effect of consumer odor hedonics on product related decisions demonstrating the interplay of cognition and emotion in ultimate decision-making. Finally, we found that consumer odor hedonics interceded the effect of all four branches of emotional intelligence (refers to emotional ability in marketing; Kidwell et al. 2008). This finding is particularly important because it suggests that consumers' emotional intelligence can predict changes in odor hedonic perception and subsequent behavioral outcomes. Consumer odor hedonics and both positive

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and negative affect are common factors for odors to influence consumer behavior.

Key Contributions

Despite considerable interest in the concept of odor perception, insufficient attention has been given to developing and extending the scale developed in 1975 by Moskowitz and his team. In addition, current three-item scale suffers from considerable limitations in terms of insufficient discriminating items (e.g. the lack of distinction between pleasantness and arousal) including a curvilinear relationship of intensity item. We addressed some of these limitations in this research. The principal contribution of our paper is that, by adding more discriminating indicators such as hedonic liking, arousal, and perceived intensity fit to the scale, we have

substantially improved the validity and scientific utility of odor hedonics in consumer behavior domain, particularly in the area of odor perception and behavior. Another contribution is providing empirical support that consumer emotional ability is an important (heretofore largely overlooked) concept in odor perception (Kidwell et al. 2008). Our results confirmed that this ability influenced consumers' odor perception-behavior relationship through the neurobiology of emotion by acting as a link between cognitive activity and emotional response as stated by Mayer and Salovey (1997). The theoretical and practical implications are relevant to sensory marketing (particularly sense of smell), and experiential marketing (hedonic and utilitarian consumption).

References are available on request.

Belief or Biology Account of Consumer Response to Food and Food Marketing?

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Keywords: *neurobehavior, marketing strategy, consumer behavior, food, nutrition, market research*

EXTENDED ABSTRACT

Research Question

In efforts for explaining increased obesity observed in modern environment, the bulk of research thus far has examined demand responses to ubiquitous food marketing across the full spectrum of healthy and unhealthy foods, as perceived by consumers. The authors review this belief-based knowledge basis and propose a complementary neurobehavioral account of market response as resulting from biological mechanisms tied to both the food and the marketing cues, with these being motivational salience linked to the sugar and fat intensity of food and to its price, and visual salience indexed by in-store promotional display.

Method and Data

Weekly sales data of a portfolio of healthy and unhealthy categories are examined for cross-category comparison of similarity and difference in belief-based and biology-based accounts of single and combine market responses to food and marketing cues. The data tracks twelve food categories (regular carbonated soft drink, candy, chocolate candy, cold cereal, hot cereal, energy drink, fruit, fruit juice, ice cream, milk, vegetable, and yogurt) in grocery stores. It contains information about product description, brand, unit and dollar sales, monthly manufacturer advertising expenditure, weekly price, and in-store promotion at SKU level for a sample of 44 stores from the top five grocery chains, which represent approximately 72% of the total grocery sales. An in-depth analysis of biology-based prediction of market responses is performed for exploring within-category variation in food motivational salience in yogurt and breakfast cereal categories.

Key Contributions

In this paper, we reviewed the belief-based knowledge basis used by previous researchers when looking at healthy/

unhealthy behavior and proposed a complementary neurobehavioral account of market response as resulting from biological mechanisms tied to both the food and the marketing cues. We found that a biology-based model is able to shed light into another aspect of food behavior that is ingrained to the motivational salience linked to the sugar and fat intensity of food and to its price, as well as the visual salience indexed by in-store promotional display.

Summary of Findings

The between and within category models estimating quantity purchased as a function of price and in-store promotion (display) as well as the moderating effect of Motivational Salience (MS) was consistent overall. The coefficient of MS is positive and significant showing that food categories/items containing a high level of calories coming from sugar and fat are more popular. The coefficient of display is positive and significant ($p < .01$). The interaction between display and MS is significant and positive ($p < .01$). The estimated price coefficient is negative and significant ($p < .01$). The interaction between log net price and MS—the focal variable—is positive and significant ($p < .01$). The interaction between MS and the indicator of price increase since last purchase was not significant for the between-category model but was significant and positive for the within-category models ($p < .01$). The interaction between MS and the indicator of price decrease since last purchase was significant and positive for the within-category models ($p < .01$) but only for the cereal category.

References are available on request.

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Promotion and Grocery Store Performance: The Role of Promotion Scope

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Keywords: *price promotion, promotion scope, retailing*

Description: *This an empirical study about the effect of price promotion on retailing performance.*

EXTENDED ABSTRACT

Research Question

Price promotions are important marketing tools with huge short-term impact on a retailer's performance. In consumer good industry, over 25% revenue attributes to discounts. Using promotions, retailers expect more customers to visit the store and buy more profitable products. However, empirical evidence of the relationship between price promotions and retailer performance are mixed and often contradictory. Price promotions are found to positively influence a retailer's performance by increasing store traffic and the sales of non-promoted products/categories. On the other hand, price promotions are often downvoted for sacrificing the sales of high-margin substitution categories/products, inducing price-searching behaviors, and lowering customers' reference prices.

So far, one important dimension of price promotion: promotion *scope*, receives very little attention from literature. Our research aim at exploring the effect of promotion scope from a retailer's perspective and the research question is: *How does price promotion scope influence a retailer's performance?*

Method and Data

In this study, we empirically test the hypotheses using a mixed effect model. Our dataset is based on scanner data from a large Norwegian supermarket chain. With over 280

stores covering most of Norwegian cities, this is one of the major players in Norway. The data consists of transaction records in all grocery categories in a two-year period (118 weeks).

Results

We find that increasing promotion scope leads to higher store traffic and larger basket size than increasing promotion intensity does. In addition, we show that promotional effects are influenced by both store size and average customer expense. The positive effect of promotional scope is magnified in larger stores, where customers purchase more products in one shopping trip. Just the opposite, the effect of promotion intensity is more salient in smaller shops.

Key Contributions

Our findings contribute to the literature by offering a new perspective of understanding the effect of price promotion. We explained why price promotion studies often report mixed and sometimes contradictory empirical results. In addition, our findings help the practitioners to make wiser strategical decisions by uncovering the relationship between promotion scope, promotion intensity, store characteristics, and customer characteristics.

References are available on request.

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Examining the Combined Effects of Questionnaire-Design Factors That Influence the Voluntary Disclosure of Information by Consumers to Commercial Organizations

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Keywords: *information, disclosure, experiment, privacy*

Description: *The paper seeks to examine how the concepts of comparative nature, question sequence and dyadic relationships influence information disclosure.*

EXTENDED ABSTRACT

Research Questions

This research examines how different presentation techniques for data-capturing questionnaires influence the voluntary disclosures of private information by consumers to commercial organizations. The research focuses on the interaction of three factors that influence the structure and presentation of questionnaires that seek to capture private information by individuals. More specifically, this study examines both the individual and combined effects that *comparative nature* (Acquisti, John and Lowenstein, 2012) *dyadic relationships* (Zimmer et al., 2010), and *question sequences* (Moon, 2000; Acquisti, John and Lowenstein, 2012) have on overall actual disclosure. The three examined topics are briefly analyzed below.

Comparative Nature: Acquisti, John and Lowenstein (2012) applied the notion of herding behavior and social compliance within the context of voluntary disclosure of information and specified that individuals would adopt the disclosing behaviors and patterns of those around them, naming this factor as *comparative nature*.

Question Sequence: The way that questionnaires are structured in regard to the order of questions that constitute them influences the acquired responses of individuals (Barnes et al., 1995; Jordan-Zachery and Seltzer; 2012). Moon (2000) specified that early easy-to-answer questions can warm up respondents, ultimately resulting in greater information divulgence. A relatively more recent study that examined how the order of questions in privacy capturing questionnaires influences overall disclosure, was that of Acquisti, John and Lowenstein (2012) who showed that the order of data-capturing with descending order of invasiveness positively affects the perceptions of individuals on how intrusive the overall questionnaire is perceived to be.

Dyadic Relationships: Dyadic relationships is a concept linked to Social Response Theory and states that when a party is the recipient of information by another party it matches that disclosure by engaging in revelation of similar information. This was more recently examined by Zimmer et al. (2010), who utilized different types of dyadic relationships for the identification of the most effective relationships

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regarding the propensity of individuals to disclosure information. Zimmer et al. (2010) focused on *reasoned*, *unreasoned*, and *non-dyadic relationships* and through these, examined how intentions lead to actual disclosure. The reasoned dyadic relationship provided respondents with direct information as to how their acquired data would be used by the organization prior to each data-capturing question and was found to be the most effective approach in acquiring information.

Two sets of hypotheses are established with the first one examining the individual effects of the instrumental factors and the second their combined effects towards overall accrual disclosure:

H1a: The high-level conditions of dyadic relationships in the questionnaire positively influences overall actual disclosure by respondents.

H1b: The high-level conditions of comparative nature in the questionnaire positively influences overall actual disclosure by respondents.

H1c: The high-level conditions of question sequence in the questionnaire positively influences overall actual disclosure by respondents.

H2: The combined utilization of the high-level conditions of the instrumental factors (Dyadic Relationships; Comparative; Question Sequence) in the questionnaire positively influences overall actual disclosure.

Method and Data

A pre-test study with 122 individuals was employed in order to determine the questions perceived as the most privacy invasive generating a rank starting with the most to the least invasive ones. This assisted with the main study which was based on a 3X3X3 matrix through the high, neutral and low conditions of each of the 3 examined concepts (Comparative nature, Dyadic relationships, Question Sequence). The main study generated 27 versions of the questionnaire based on the generated rank of questions from the pre-test and 1286 individuals were recruited. A healthy amount of 46 individuals (Harrell, 2001) was included in each condition on average while each individual was assigned to a single condition.

Summary of Findings

H1a was supported and found to be consistent with the findings of Zimmer et al. (2010), the concept of reasoned dyadic relationships proved to be influential in inducing individuals to engage in actual disclosures.

H1b was supported in alignment with Acquisty et al (2012) study indicating that when individuals in the high condition are led to believe that others disclosed specific information they more easily engage into information divulgence

H1c was not supported and was found to be in more alignment with the views of Moon (2000) and Zimmer (2010) and the fact that ascending order of privacy invasiveness in questionnaires results to higher levels of information disclosure instead with Acquisty et al (2012) view that

H2 was partially supported. Certain combinations of conditions were found to work in synergistic ways to facilitate information disclosure that significantly generated higher percentages of overall actual disclosure compared to the individual utilization of these concepts. Still, insights are provided to the fact that specific combination not only do not increase overall actual disclosure but instead hinder it. This provides leverage of creating a blueprint as which combination work for information disclosure maximization and which ones don't.

Contributions

This approach represents the first attempt at examining the synergistic behavior of concepts that influence the presentation of questionnaires that seek to capture private information and their comparison with the individual employment of each concept in terms of their influence on overall actual disclosure. By understanding the information disclosure process of individuals and the factors that influence it, this research offers a blueprint on how organizations can capitalize on consumer behavior through the order and disclosure of information design both in the questionnaire as well as in the terms and conditions in order to increase the effectiveness and efficiency of their data-capturing processes.

References are available on request.

Next Level Media Engagement: Measuring Cross-Platform Video Consumption Processes with Wearable Sensor Data

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Daniel McDuff, Microsoft Research

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ABSTRACT

In a complex media consumption environment, one-dimensional metrics do not represent the dynamic reality as promisingly as multidimensional approaches like engagement. However, the affective dimension of engagement seems difficult to measure. We present results of a recent experiment focusing on wearable sensors and their meaning for media and marketing research.

Keywords: *cross-platform effectiveness, affective engagement, wearable sensor data, marketing research*

Description: *This paper examines how the affective dimension of engagement can be measured with wearable sensors in cross-platform comparisons while using the data from a recent media consumer neuroscience experiment.*

Introduction

Since media expenses for advertising are rising overall and especially a shift of media budgets towards video formats will intensify in the near future, marketers need insights about the effectiveness and fundamental mechanism of video platforms—online and offline (e.g. Horizont, 2018). For several decades marketing communication via video content has been dominated by offline TV platforms, but since the ubiquitous adoption of the internet, digital alternatives are growing steadily: YouTube (2017) for example states to have over a billion users who generate billions of views every day. Since online and offline media performance are currently measured by very different metrics (e.g. coverage for TV vs. clicks for YouTube videos), the introduction of a unifying measure that helps to establish comparability is a key issue for media and marketing researchers. A very promising construct for this matter is engagement—and especially its affective component—which goes beyond one-dimensional measures like the quantity of persons reached and allows to investigate if and how consumers react to what they see.

Engagement, defined as a multidimensional construct that also includes affective or emotional dimensions, is discussed frequently in practice. However, the affective dimension is challenging to measure in a practical manner. In the last decades, researchers have become more aware that many cognitive processes in the human brain do not take place in a conscious or rational way (e.g. Kahneman, 2003; Stanovich, and West, 2000). A similar conclusion has been drawn for emotions, which are said to often predict behavior—a circumstance that unfortunately is not of much practical use without an appropriate measurement technique (Bettiga, Lamberti, and Noci, 2017; Camerer, Loewenstein, and Prelec, 2005). By applying methods originally created for psychological and neuroscientific purposes, we try to gain new insights into the “ultimate black box” that is the human brain (Camerer, Loewenstein, and Prelec, 2005, p. 9). Besides relatively costly technology driven data gathering techniques like electrocardiography (EEG) or functional magnetic resonance imaging (fMRI), wearable sensor-based systems open up a promising way to acquire emotional data out of the lab and in a scalable way. Hence, we present

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results of a pilot study with the usage of a wristband which measures the heart rate and electrodermal activity (EDA) of our participants. How these are linked to engagement is further explained in section 2.2. The study was conducted in a lab setting—an environment which can be used as a base for further media engagement studies since it delivers unique insights about the value of wearable sensor data for marketing research. This article contributes to the AMA track of marketing research by offering media and marketing researchers an innovative and practicable approach to gather affective data. Furthermore, we aim to improve the understanding of the impact wearable sensor data have on explicit constructs like for example the perceived quality of a platform.

Theoretical Background and Research Questions

Media Engagement in a New Media Reality

In media and marketing literature the discourse about engagement arises as a means of delivering more meaningful management information in a changing media environment—especially in comparison with conventional exposure-based metrics that are insufficient in addressing the interactions of platform, content, and audience. According to the concept of the evolution and future of advertising by Kumar and Gupta (2016) the “future will belong to those advertisers that empower and engage consumers through relevant, reliable, and targeted communications.” (p. 316). Engagement could serve as a new currency of media consumption, providing a cross-platform comparable approach and reflecting the marketers’ demand for reality in a multi-dimensional media environment (Chan-Olmsted, and Wolter, 2018). In marketing and media practice and theory the definition of engagement is largely discussed, but not coherently defined. A predominant agreement exists on the fact that engagement is a multidimensional construct, including behavioral, cognitive and affective dimensions (e.g. Dessart, Veloutsou, and Morgan-Thomas, 2015; Brodie et al., 2013). Brodie et al. furthermore state that “Consumer engagement (...) plays a central role in the process of relational exchange where other relational concepts are engagement antecedents and/or consequences in iterative engagement processes within the brand community.” (2013, S.107). On the industry side the International Advertising Bureau (IAB) goes in line with this idea and also defines engagement as a spectrum of activities that includes cognitive, affective, and behavioral aspects (IAB 2012).

Measuring Media Engagement Across Platforms Using Wearable Sensor Data

Engagement, as defined in the previous paragraph, includes affective dimensions, which are also described as emotions.

Previous research has shown some evidence that emotions can influence desired marketing outcomes like brand recall or sales. Franzak et al. (2014) state that “Practitioners and researchers agree that emotion has a strong connection to brand related behaviors. Intensity of emotion is related to purchase behavior.” (p.18). The relevance of emotions as predictors for brand outcomes has been researched widely in marketing since the last decades, but the empirical evidence is still on infancy level (Yoo, and MacInnis, 2005). Emotions are hard to verbalize for participants in experiments and therefore alternative data gathering approaches have been adapted from different disciplines, whereby neurophysiological data began to play an increasingly important role in marketing research. The relatively new field of consumer neuroscience evolved with various approaches, for example using facial electromyography (fEMG), electrocardiography (ECG) or electrodermal activity/skin conductance response to gather physiological data of consumers. Even cost-intensive tools like fEMG are used in marketing research to capture emotional valence regarding advertisements and media perceptions (Kumar et al., 2013). A major concern with these tools is that they are practically unusable, mostly lab-based, and expensive. Therefore, marketing researchers are constantly seeking better solutions to measure consumer emotions. Online facial recognition and online eyetracking can be mentioned as innovations in terms of getting out of the lab and into a more natural environment of the consumer. Additionally, lower costs and allow larger sample sizes.

A further promising development in affective measurement ways arose with wearable sensor data. Wearable devices like wristbands offer the opportunity for real-time physiological data acquisition. We used the Empatica E4 wristband in our study to measure the heart rate and EDA of the participants. Previous research with heart rate data can mostly be found in the field of psychology. E.g. Vrana, Cuthbert and Lang (1989) used heart rate to investigate fearful and neutral sentence processing. They assumed that, “to the extent a fear text activates affective action code, it should be associated with greater cardiac acceleration than neutral text.” (Vrana et al. 1989, p.180). Moreover, Greenwald, Cook and Lang (1989) used heart rate and skin conductance measurements besides facial EMG in a psychophysiological study to understand the relationships of affective verbal judgments to psychophysiological response and revealed that peak acceleration was sensitive to valence, which was a pleasure-displeasure rating. The general psychophysiological findings that heart rate can explain the valence of an emotional response have been used in advertising research to measure affective responses to advertising content (Lang 1990). However, media engagement studies and specifically video platform comparisons using heart rate data, measured by wearable devices, have been scarce so far. Thus, our first

research question explores the role of heart rate data, measured with a wristband in the context of cross-platform media engagement in video consumption processes:

RQ1: How do TV and online video differ in terms of affective engagement, measured by wearable sensor heart rate?

Besides the heart rate, the wristband we used also measures EDA. EDA, sometimes also denoted as skin conductance response (SCR) or galvanic skin response (GSR) has been recognized as a means to gather physiological data of “emotion, arousal and engagement” (Kumar et al., 2013, p.336). More specifically, since an increase in electric conductivity of the skin has been linked to emotive responses, EDA, which assesses the occurrence of autonomic changes in these electric properties of the skin, counts as a valid and sensitive indicator of (possibly unconsciously) experienced arousal (Boucsein, 2012; Braithwaite et al., 2013). Ever since the recognition of a greater need for implicit measuring methods, the topic of EDA has found its way into marketing and consumer research: While Somervuori, and Ravaja (2013) for example used it to research purchase behavior and emotional responses to varying price levels, Groeppel-Klein, and Baun (2001) applied EDA as an indicator for the role of customers’ arousal for retail stores.

During the experiment an Empatica E4 wristband was used. The E4 measures the constantly fluctuating changes in the electric properties of the skin by passing a miniscule amount of current between two electrodes on the wristband which are in permanent contact with the skin for the duration of the experiment. Until now, the Empatica wristband has mainly been used for medical studies, for example in automated Grand mal seizure detection and while improving the algorithm for seizure classification (Onorati et al., 2016; Poh et al., 2012). The present study aims to explore the eligibility of EDA as a measure of engagement with video content and therefore an important measure while comparing online and offline media.

Our second research question therefore focuses on the affective engagement of the two observed video platforms under the usage of skin conductance data, gathered with the Empatica E4 wristband:

RQ2: How do TV and online video differ in terms of affective engagement, measured by wearable sensor skin conductance?

Mixed-Method Data Analysis with Wearable Sensor and Explicit Data

Besides knowing the differences of the affective engagement levels across video platforms, measured by wearable sensor

data, it is relevant to link the affective engagement variables to explicitly measured constructs in order to reveal any relationships. In our case we use the perceived media platform quality in order to understand if a higher heart rate and/or skin conductance level do correlate with a more positive perception of the media environment. For each platform we asked on a 5-point Likert scale (from poor to very good): What do you think about the quality of TV/YouTube in the following areas: quality of its system, quality of its function, quality of its informational content, quality of its entertainment content. Our third research question shall shed light on the relationship between the wearable sensor data (EDA and heart rate) and perceived platform quality:

RQ3: How does affective engagement, measured by wearable sensor data, relate to explicitly measured media constructs (perceived platform quality)?

Design and Method

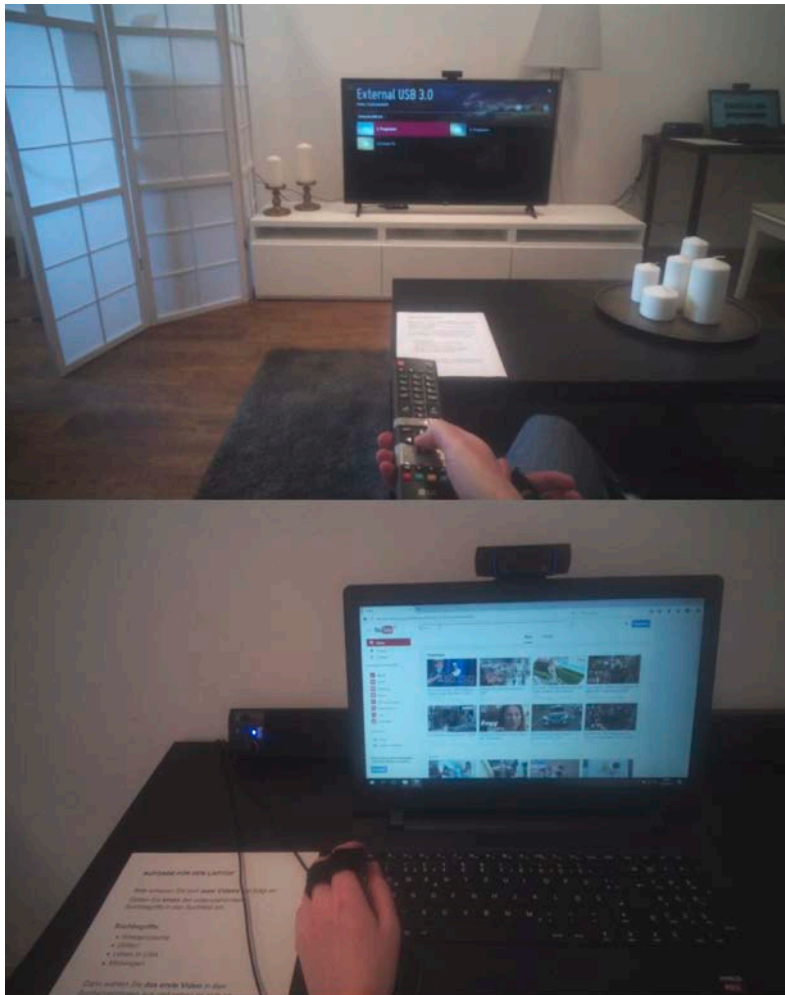
Research Design

A mixed-methods design was conducted in this study: After signing a release form, the participants were guided to a room that was furnished like a living room to create a setting close to the usage situations of TV and YouTube in real life. In this room, two tasks, with a maximum of freedom to choose platform and content freely, had to be attended to: Sit on a couch and watch two video clips on a TV and comfortably sit in front of a laptop computer and watch two video clips on a YouTube mock-up. The participant’s view of both platforms is shown in figure 1.

The TV clips could be chosen via remote control from two folders containing four clips each and participants were instructed to watch one clip from each folder. For the YouTube task, participants were shown a list of four keywords, instructed to choose one and type it into the search field of the YouTube mock-up. After watching the first video clip, participants chose a second video out of four suggestions shown on the right side of the screen. TV clips were cut to be approximately 15 minutes long each, while YouTube clips were picked in such a way that they each had a length of approximately 5 minutes. These durations were chosen according to the usual viewing time on German TV/on YouTube before an advertising break. All clips were provided by big German TV broadcasters and matched to approach similar topics or be from similar shows on both platforms. Half of the clips were of entertaining content and half were of informational content. Participants could freely choose the order in which they completed the two tasks.

For the whole time of task completion, the participants were wearing the Empatica E4 wristband on the wrist of their non-dominant hand as well as Tobii Pro 2 eyetracking glasses.

Figure 1. Participant's View of TV and YouTube Mock-Up. Picture: Author's Own Creation



After completing the two tasks, the participants were guided to another room, where an online survey was conducted.

Method and Data

We extracted the tonic skin conductance level (SCL as a measure of EDA) and the heart rate (HR) from the Empatica wrist band data. The heart rate was based on the inter-beat intervals as extracted from the photoplethysmography (PPG) waveform measured by the device.

The SCL and HR statistics (mean and standard deviation) were averaged across each video. If a video was watched in multiple segments the statistics during each viewing segment were weighted by the duration. For example, if a person watched the first 25% of a video and then switched and returned to watch the remaining 75%, the SCL and HR dur-

ing the first segment were given a weight of 1/4 and the SCL and HR during the second segment were given a weight of 3/4. SCL and HR are two statistics that capture physiological arousal. Both are controlled, or partially controlled, by the sympathetic branch of the autonomic nervous system. We anticipated that increased physiological arousal would lead to higher mean HR and SCL. The standard deviation of these parameters captures the variability of the signals across the video segment. We anticipated that the variability of the SCL would also be higher during periods of increased arousal. The explicit data were analyzed using STATA, the explicit-implicit calculations were run in STATA as well.

Out of 249 participants originally included in the study, the EDA data for 134 could be processed after excluding those with incomplete or erroneous data. Out of these 134, 72 were female and 62 were male. Furthermore, the sample was

divided into three age groups: At the time of the study, 67 participants were 18-34 years old, 46 were aged 35-54, and 21 participants were 55 years old or older.

Results

The first and second research questions aim to explore whether heart rate and skin conductance, as an indicator for affective engagement and in this study measured with a wearable device, show differences between the TV and YouTube video consumption process. Looking at the aggregated video consumption per platform the following picture emerges: Heart rate for YouTube (Mean 77.05 / SD 9.72) is slightly higher compared to TV (Mean 75.62 / SD 9.67). The difference is significant ($p = 0.031$). Comparing the video consumption engagement rates across platforms, based on the SCL data, we found that the numbers for YouTube (Mean 4.10 / SD 4.74) are below TV (Mean 4.59 / SD 5.93), but the difference is not significant.

Our third research question combines the abovementioned affective engagement scales with the explicitly gathered construct 'perceived platform quality'. Correlations show no significances between heart rate and the explicit data and the same holds for SCL and explicit data.

Key Findings and Discussion

The present study explores the differences of affective engagement across video platforms using wearable sensor data. Additionally, with this study we are able to link the implicit data to explicit constructs in order to understand the relationship between affective engagement and certain media and marketing outcomes. Results indicate that the video platforms differ in their affective engagement levels, showing a higher heart rate for the YouTube consumption compared to the TV consumption. A higher heart rate has been revealed by previous research as a valid indicator for arousal, valence or attention. Since it can be a measure of all these phenomena, it has to be interpreted carefully. Furthermore, the difference may be due to the general characteristics of a lean back or forward media consumption situation, which should be considered in future studies. To overcome the interpretation issues of the heart rate, it is important to combine it with other implicit tools and/or a survey or behavioral data. Hence, heart rate should not be used as a stand-alone metric for media platform decisions but could be a helpful and practicable complement in a multidimensional engagement measurement approach. A further limitation of this study is the lab-based situation. In future studies the wristband should be used independently by the consumer and in their own natural environment. Due to the limited space, we focused on the explicit construct "perceived platform quality," which does not reflect all acquired constructs of our survey. Further variables in the explicit

implicit measurement will be included for the conference, e.g. "motivation to act" or "narrative engagement." Besides the limitations, our study reveals first important insights about cross-platform engagement and its affective measurement using innovative data gathering tools. Compared to other lab experiments with neurophysiological data, the study is based on a relatively high sample size. Because of the rising smartphone usage, wearable sensor data could lift affective engagement measurement to another stage. We will contribute to this year's AMA summer academic conference with a key marketing research issue and a unique data set of neurophysiological consumer data and explicit constructs.

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A Value-Based Decision Model in Airline Business

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Keywords: *interpretive structural modeling (ISM), positioning strategy, service marketing*

EXTENDED ABSTRACT

Perceptual maps can provide easy-to-understand information to help marketing managers understand the landscape of competition. This competitive information can, in turn, facilitate the development of the firm's positioning strategy. Unfortunately, perceptual maps are two-dimensional and may sometimes provide misleading information due to the use of an over-simplified statistical method. This study attempts to address this shortcoming by employing the Interpretive Structural Modeling (ISM) method to identify the multiple needs of air travel passengers. Specifically, the customers' preferences toward the attributes of interest and the overall image of the product bundle are revealed. As such, empirical findings could help marketing practitioners develop niche marketing appeal and reexamine their current positioning strategies. Further, based on the ISM outcomes, firms adopting analytic network process (ANP) could obtain relatively more comprehensive and applicable results in real-world applications.

Introduction

Perceptual mapping, a diagrammatic technique used by marketing professionals, is often used to understand how brands are positioned in a two-dimensional *virtual* space. Unfortunately, these maps can only provide limited information about a firm's or a brand's competitive marketplace. Furthermore, the results of this technique may not provide accurate information for brand managers to meet the multiple needs of today's consumers (Yang, 2010).

If a firm would like to develop a useful positioning strategy, its marketing team needs to consider not only the competitors but also its target customers. When evaluating an airline's positioning based on its service quality, airline passengers usually refer back to the service quality experienced

(Gilbert and Wong, 2003) or what they have heard from others. It is thus necessary to focus on the positioning strategies employed by airlines as they compete to meet the changing consumer needs and wants (Osman, 2015). Interestingly, only a handful number of studies investigate the positioning of airlines based on service quality attributes. Thus, the present study seeks to fill this gap by empirically examining the customer preferences of three selected competing airlines and their related brand competitiveness.

Application of ISM Methodology

A four-step approach is employed to achieve the research goal: (1) the influential relation matrix among a few notable service attributes was constructed; (2) the relation matrix created in step 1 was transformed into a few reach-ability matrices, which contain self cause-and-effect influence; (3) the reach-ability matrices were further transformed into hierarchical matrices; and (4) a hierarchical figure was constructed on the basis of the hierarchical matrices. The resulting figure, from step 4, could help marketing practitioners to explain the interdependence relation among key variables.

Application of ANP Methodology

Analytic Network Process (ANP) organizes a decision problem into a network with a goal, decision criteria, and alternatives. Subsequently, ANP uses "a system of pairwise comparisons to measure the weights of the components of the structure, and finally to rank the alternatives in the decision" (Analytic network process, n.d). Thus, based on the ISM outcomes, the authors developed a questionnaire to collect opinions from seasoned customers. The responses were then analyzed in the framework of ANP. As such, the perceived image of three competing airlines and the most valuable airline could be identified.

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Implications

Airline companies should monitor their main competitors' movements and pay close attention to any perceived images that emerge (among its stakeholders). To improve and enhance the competitive capability, marketing practitioners could apply the ISM and the ANP methods described in this

study to examine the various needs of air travel passengers and identify the key factors that can enhance a brand's competitiveness in the marketplace.

References are available on request.

CSR Practices of Islamic Banking Towards Upliftment of Living Standards of Disabled People: Bangladesh Perspectives

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Keywords: *CSR, disabled people, Islamic banking, mainstream, financial transactions*

EXTENDED ABSTRACT

Research Question

How can Islamic banking play roles through CSR activities towards upliftment of disabled people of Bangladesh?

Methodology

Data collection from Primary and secondary data sources

Conducting Survey

Using convenient Sampling Technique [Sampling methods and sample size based on the requirements & conveniences]

Data collection methods:

1. Questionnaire designs (both open ended and closed ended)
2. Personal interviews (both formal and informal)
3. Personal observation.
4. FGD (Focus Group Discussion)

Sample Size

All (08) full fledged Islamic Banks were contacted to gather data on required aspects.

Systematic Random Sampling for commercial banks running with Islamic Banking Branches and/or Windows.

Key Contributions

1. Exploring the present scenario of disabled people of Bangladesh in terms of their living standard and receiving citizenlike other types of facilities
2. Analyzing how effective current CSR practices of banks, Islamic banks in particular, to contribute the social benefit.
3. Finding out the scope of Islamic banks' expenditure through CSR to uplift the living standard of disabled people of the country.

Summary of Findings

The summery of findings shall be coming up while conducting the research work and those findings will be submitted in the full paper. The full paper will be submitted in due time.

From the legacy of much sought and long cherished dream of having financial transactions in Shariah compliant way for the people of Bangladesh, Islamic banking has been emerged in the country in the year 1983. Since then, growth of Islamic banking in terms of volume and size is quite mentionable. As an inbuilt feature of Islamic banking for doing the betterment of the general people, this system has been spending mentionable amount in CSR activities. However, the growth of Islamic banking has also invited critics from different corners including academicians, industry experts, policy makers and general people at large. It is expected that Islamic banking, if properly practiced, should improve the

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socio economic condition of a country along with improvement of financial stability, but over the years, the living standard of the marginalized people is still below the expected level. The disabled people of the country, specially intellectually disabled people, should lead their lives in the mainstream of the society with desired level of standards. Islamic banking in Bangladesh has contributed in this sector, however, scope prevails to huge extent to do more. This paper shall be attempting to shed lights on the present scenario of the living standard of disabled including intellectually disabled people and scope of CSR expenditure to improve their living standards. The paper shall also be attempting to criti-

cally analyze the effective & efficient use of CSR expenditures in needful sectors and also, how this expenditures can be linked directly between the socio economic development of a country and business development of the company. Finally, the paper shall try to recommend some action plans, specially in the light of using effective marketing tools to make the people aware of the rights of disabled people, and banks involvement aiming to ease the living style and living standards of disabled people as a part of being socially behaved entity.

References are available on request.

Capturing Heterogeneity, Generalizing to Populations, and Ending Bad Science Practices Still Pervasive in Marketing

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Keywords: *analysis, asymmetric, bad, data, good, symmetric, theory*

Description: *This essay describes why symmetric theory construction and null hypothesis significance tests (NHST) are bad science practice, why asymmetric theory construction and somewhat precise outcome tests (SPOT) are good science practice, and how to shift from bad-to-good science practices in research in marketing.*

EXTENDED ABSTRACT

Research Question

How can marketing scholars escape from the bad science practices now pervasive in research in marketing? Hubbard (2015: 194-198) reviews 41 “overt criticisms of the worth of null hypothesis significance testing (NHST).” These criticisms include Hunter’s (1997) call for banning the practice, “Needed: a ban on the significance test.” The editor-in-chief of *Basic and Applied Social Psychology* has done just that: “The Basic and Applied Social Psychology (BASP) 2014 Editorial emphasized that the null hypothesis significance testing procedure (NHSTP) is invalid, and thus authors would be not required to perform it (Trafimow, 2014). However, to allow authors a grace period, the Editorial stopped short of actually banning the NHSTP. The purpose of the present Editorial is to announce that the grace period is over. From now on, BASP is banning the NHSTP. (Trafimow and Marks, 2015).” The study proposes theory-based algorithm screens (i.e., “computing with words” (CWW), Zadeh, 1996, 2010) which are tested for consistent accuracy (e.g., achieving odds greater than 4-to-1 of high outcome scores of cases having scores meeting or surpasses all scores in all screening conditions).

Method

This essay reviews bad and good science practices in research in marketing and to how to complete shifting from

the former to the latter. The telling problems with symmetric tests and NHST include the following points. MRA/SEM focuses on estimating the variance-in-common between scores for a linear independent empirical model with the scores for a variable dependent variable. The variance-in-common is nearly always low (i.e., adjusted $R^2 < 0.20$ in most studies even though the NHST for most reported symmetric models indicate $p < .001$) because of the occurrences of cases of false positives and cases of false negatives among the cases for the independent model and the dependent variable. A second point: focusing on NHST is bad science practice because refuting the null hypotheses does not inform the reader about the usefulness/accuracy of a model in predicting a specific outcome of interest. While most scholarly behavioral and management research using the dominant logic of symmetric tests currently mismatches theory (case-focused) and analysis (variable-focused) (Fiss, 2007), what most researchers and practitioners really want to learn is what explains and accurately predicts high scores in an outcome condition (de Villiers, Woodside, and Marshall, 2016; Leischnig and Woodside, 2018).

Summary of Findings

Complexity theory and asymmetric case-based theory/test is now replacing the current dominant symmetric theory and testing that now dominates research in marketing. The focus

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of most studies using today's dominant symmetric testing logic is on the relative sizes ("importance") of standardized partial regression coefficients in multiple regression models that holds constant the impact of each variable in the models—the reporting of such models often includes models with 3 to 30 such coefficients. The variances among some of the independent variables overlap considerably in most models and the removal and addition of a variable often dramatically affects the sizes of betas in the models. Also, the focus on the size of betas and whether or not the non-standardized partial regression coefficients (b's) differ significantly from zero (NHST findings) takes the researcher's eyes away from the prize: explaining/predicting cases with high scores for an outcome condition. The use of relatively simple screens provides more information and outperforms the MRA models in tests for the predictive validities of both sets of models (Gigerenzer and Brighton, 2009; Ordanini, Parasuraman, and Rubera, 2014). Predictive validation involves testing the efficacy of a model on additional samples not used for testing whether or not the model fits the original set of data.

Key Contributions

Embracing the core theoretical tenets of complexity theory is necessary for theory to respond and to adequately answer

the crucial problem in strategy theory (Powell et al., 2011)—accounting for strategy heterogeneity across firms. Ordanini, Parasuraman, and Rubera (2014), Wu et al. (2014), and Woodside, Prentice, and Larsen (2015) provide examples of theory construction and testing of the impact of implementations of services as complex wholes on customer assessments of service outcomes. "The set-theoretic approach and QCA [i.e., computing with words] employed herein offer two critical insights not likely to emerge from conventional approaches for studying innovation adoption. First, the same new service attribute can strengthen or weaken adoption intentions depending on the levels of other attributes (including the extent of customer coproduction required); adoption likelihood depends on the collective influence of the attribute configuration, not on a simple summation of each attribute's influence. Second, several alternative attribute configurations capable of inducing adoption may exist, rather than one "best" configuration" (Ordanini, Parasuraman, and Rubera, 2014, pp. 144-145). The now occurring tipping-point is shifting research in marketing from bad-to-good science. Crossing a tipping-point is occurring now (2018) from bad-to-good in the behavioral and management sciences.

References are available on request.

Do Great Ads Break the Rules? Assessing Classic TV Commercials Based on Their Conformity with Persuasion Principles

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J. Scott Armstrong, University of Pennsylvania

Keywords: *persuasive advertising, evidence-based principles, index method, persuasion principles*

Description: *Classic TV commercials that adhere to the Persuasion Principles more closely were more persuasive.*

EXTENDED ABSTRACT

Research Question

Extending previous research on the predictive validity of the 195 Evidence-based Persuasion Principles (Armstrong et al., 2016), we tested whether classic TV commercials that followed the principles more closely were more persuasive than commercials that did not conform to the principles.

Method and Data

We adopted the Evidence-based Persuasion Principles summarized by J. Scott Armstrong (2010) and assessed the persuasiveness of 20 pairs of classic TV commercials using our checklists. Our hypothesis was that the more closely the ads adhered to the principles, the more persuasive they should be. Our sample of ads was created by the authors of this paper through online search. A pretest with four research assistants confirmed our hypothesis. Next, we will screen out qualified participants from M-turk and invite them to undertake our training module. Participants who passed the Training will rate the one batch of 20 pairs of ads.

Summary of Findings

In the pretest, we found that TV commercials that complied more closely with the Evidence-based Persuasion Principles were more persuasive than the ones that did not follow the principles. Our hypothesis was confirmed.

Key Contributions

The study by Armstrong et al. (2016) was the first to test the predictive validity of Evidence-based Persuasion Principles. It was also the first test of the predictive validity of the index method for a marketing issue. The current research aims to replicate Armstrong et al., (2016)'s work using a different set of ads, as the previous sample (e.g. Which Ad Pulled Best) was used as evidence to create the principles.

References are available on request.

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On the Evolution of Modeling in Academic Marketing Research

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Keywords: *models, methods, trends, marketing research*

Description: *This research offers a dynamic perspective on the evolution and use of marketing models through a content analysis of articles published in the top three marketing journals in 1990 to 2017.*

EXTENDED ABSTRACT

Research Question

How has modeling use developed in marketing research over the last three decades?

Method and Data

The authors conduct a content analysis of articles published in the top three marketing journals over a 28-year period (1990 to 2017): *Journal of Marketing*, *Journal of Marketing Research*, and *Journal of Consumer Research*. Two independent researchers classified articles by their content (conceptual, quantitative, qualitative, mixed), type of data source (experiment, survey, and secondary), and type of model (e.g., choice, hazard, panel data, non-linear, game-theoretic, etc.). We followed the classification of statistical/econometric models used in marketing research developed by Kumar, Sharma, and Gupta (2017). Articles that cannot be considered as original research (e.g., editorials, commentaries, errata, etc.) were left out by design. A note was made if an article was published in a special section, was a practice prize paper or an invited paper. We logged the classification data, along with journal, volume, issue, year, authors, title, and abstract into spreadsheets for further analysis.

Summary of Findings

We present preliminary results for a subset of articles. The proportion of modeling articles varies notably across the three

marketing journals. Based on a subset of 545 articles published in *Journal of Marketing*, *Marketing Science*, and *Journal of Academy of Marketing Science* from 2014 to 2017, top five frequently used modeling methods in marketing (by number of studies) include linear regression (97), structural equation modeling (60), choice models (50), game theory (43), and panel data models (38). Specifically, although linear regression is the most popular model, the number of articles decreases over the four-year period (from 30 to 22). On the other hand, both choice model and game theory are more likely to be adopted in data analysis. We also find some journal-specific preferences for particular models. For example, nearly all game theory papers are published in *Marketing Science*. In addition, our study uncovers that the use of panel data models has been increasing in the past years.

Key Contributions

Our study adds to the marketing methods literature by offering a dynamic perspective on the evolution and use of marketing models in academic research. By conducting a longitudinal review (1990-2017), we shed light onto the interplay of research methods and the trends in model types in the top three marketing journals as well as provide directions for future research.

References are available on request.

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Strategic Orientations, Marketing Capability, and Firm Performance: A Meta-Analytic Structural Equation Modeling Study

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Keywords: *market orientation, entrepreneurial orientation, marketing capability, resource based theory*

Description: *Drawing on the resources-action-performance framework, this paper explores the mediating effect marketing capability in the relationship between strategic orientation and firm performance across cultures, economies, and industries.*

EXTENDED ABSTRACT

Research Question

The marketing and strategy literatures discuss a variety of strategic orientations that contribute to superior firm performance. Market orientation and entrepreneurial orientation are two of the most important strategic orientations that center on firm interaction with its environment. Previous meta-analytic studies have examined the effect of strategic orientations and with firm performance and found a positive relationship (Rauch et al. 2009, Kirca, Jayachandran, and Bearden 2005). Others argue that strategic orientations are necessary but are not sufficient condition to gain and sustain competitive advantage (Mu et al. 2017), and the realization of their potential value depends on how they are exploited through capabilities (Murray, Gao, and Kotabe 2011). However, little is done to address these competing views.

The purpose of this paper is to provide a realistic picture of strategic orientation–performance relationship by systematically integrating and testing the mediating effect of marketing capability. Marketing capabilities are the complex bundles of knowledge and skills that are deeply embedded in organizational processes and enables firms to carry out marketing activities (Day 1994). This work addresses the following research questions:

1. How does marketing capability mediate the effect of strategic orientation on firm performance?
2. To what extent does the mediation effect of marketing capability vary across cultures, economies, and industries?

Method and Data

In order to identify relevant studies, we searched several computerized databases and conducted a manual search on numerous business journals. Then, we selected studies to be included in our meta-analysis on the basis four criteria. First, we excluded qualitative studies, literature reviews, and case studies. Then, studies fail to report correlation (r) or statistics that can be converted into correlations were excluded from the analysis. In addition, a study had to report on relationship involving at least one of the strategic orientation and marketing capability relationship. We also excluded overlapping samples. The final dataset contains 60 empirical studies with a combined sample size of 18,291 firms that provide 345 effect sizes.

The meta-analytic procedure suggested by Hunter and Schmidt (2004) was employed to calculate the effect size between the constructs. Based on the values obtained from the separate meta-analysis, a meta-analytical intercorrelation matrix was created for all relationships. We used meta-ana-

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lytic structural equation modeling (MASEM) to test the proposed hypotheses. Moreover, we conducted outlier and influence diagnostics and examined the robustness of the findings using Rosenthal's file drawer analysis.

Summary of Findings

The MASEM results indicated that market orientation ($\beta = 0.46, p < 0.001$) and entrepreneurial orientation ($\beta = 0.33, p < 0.001$) were positively associated with marketing capability. Moreover, the path coefficient for marketing capability and firm performance was significant ($\beta = 0.54, p < 0.001$) controlling for firm size ($\beta = 0.05, p < 0.01$) and firm age ($\beta = -0.06, p < 0.01$). The indirect effect of entrepreneurial orientation on firm performance were significant ($\beta = 0.14, p < 0.01$) indicating a partial mediating effect of marketing capability. In addition, the indirect effect of market orientation on firm performance were significant ($\beta = 0.19, p < 0.01$) indicating a full mediating effect of marketing capability.

The mediating effect of marketing varies across industries, culture, and economies. The mediating effect of marketing capability in the relationship between entrepreneurial orientation and firm performance is stronger in high tech industries than low-tech industries. However, the mediating effect of marketing capability in the relationship between market orientations and firm performance is stronger in low-tech industries than high tech industries. In addition, the mediating effect of marketing capability in the relationship between strategic orientation and firm performance is stronger in high performance oriented culture and developing economies.

Key Contributions

The findings of this work contribute to a better understanding of the role of marketing capability in strategic orientation and firm performance relationship by integrating extant literature and uncovering contextual moderators. It provides unequivocal evidence on the mediating effect of marketing capability and extends previous meta-analytic studies on entrepreneurial orientation and market orientation. It also expands the resource-based view revealing how firms develop marketing capabilities. In addition, the results uphold the thesis that argues strategic orientations per se are not sufficient condition for superior performance (Murray, Gao, and Kotabe 2011, Arunachalam et al. 2018). Marketing capabilities are necessary to utilize the benefits of market orientation and achieve superior performance. Likewise, the findings of this paper also confirm the resources-action-performance framework suggested by Ketchen, Hult, and Slater (2007).

Moreover, this meta-analysis contributes to managerial decision making in several ways. The findings of this research suggest feasible ways to maximize the benefits generated from market and entrepreneurial orientation and provides managers with the understanding of how to develop strong marketing capability. The study also sheds some light on how firms should approach the development of marketing capability across varies cultures, countries, and industries.

References are available on request.

Digital Maturity and Marketing Orientation: Theoretical Foundation and Measurement Models

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Keywords: *market orientation, digital maturity, corporate performance, formative assessment*

Description: *This paper focuses on the conceptualization of the construct of digital maturity, the effect of digital maturity on corporate performance, and the interdependencies between digital maturity and market orientation with respect to their integrated impact on corporate performance.*

EXTENDED ABSTRACT

Research Questions

The rise of digital technologies has become an important driver for change in multiple industries. Digital technologies affect all levels of the firm, including business model frameworks, customer interfaces, customer experience, and internal processes. Prior research assumes that the development of a specific set of digital capabilities leads to higher digital maturity. Moreover, the degree of digital maturity can have an impact on corporate performance. However, a measurement framework for digital maturity does not exist in scholarly work. Therefore, this paper focuses on the following three research questions: (1) How is the construct of digital maturity conceptually defined? (2) How does digital maturity affect corporate performance? and (3) What interdependencies exist between digital maturity and market orientation with respect to their impact on corporate performance?

Method and Data

Six independent studies set out to answer the three research questions. The first four studies follow mainstream psychometric scale development and validation procedures to develop a well-grounded set of items for the construct of digital maturity. The fifth study defines a reflective and formative measurement model for digital maturity. The sixth study measures the causal effects of digital maturity, market orientation, and corporate performance among a sample of 240 executives responsible for digital transformation projects in Germany, Austria, and Switzerland.

Summary of Findings

The findings indicate a strong main effect of digital maturity and market orientation on corporate performance. Moreover, the level of market orientation moderates the relationship between digital maturity and corporate performance. Firms can use the developed measurement model for digital maturity to target their strategies along digital transformation. However, a sole concentration on digital technologies is detrimental if firms do not ensure a high level of market orientation at same time.

Key Contribution

The results contribute to the theoretical understanding of the different factors driving the success of digital transformation programs in firms. Moreover, they provide executives with practical recommendations on what to focus on and how to proceed in the digital transformation of their firms. Current research provides first support that digital maturity has a positive impact on corporate performance. However, a general market orientation of the firm strongly influences the main effect of digital maturity on corporate performance. Market orientation directly affects corporate performance, and even more important, the degree of market orientation moderates the main performance effect of digital maturity. Thus, the moderation effect of market orientation is by far larger than the corresponding moderation effect of digital maturity. This finding indicates that firms must continuously improve their market orientation if they want their digital ini-

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tiatives to have an impact on performance. In conclusion, the current research views digital maturity as a subordinated construct of market orientation. Thus, digital maturity is not adequate to drive the adoption of digital technologies without a core focus on customers and markets. In general, marketing

and sales functions should receive additional attention as they play an important role in the supervision of digital transformation programs to create superior customer value.

References are available on request.

A Comparative-Design, Longitudinal Assessment of the Effects of Entrepreneurial Orientation on Competitive Advantage and Firm Performance

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Keywords: *entrepreneurial orientation, dynamic capabilities, competitive advantages, longitudinal design, computer-aided text analysis*

Description: *This paper illuminates the underlying mechanism through which entrepreneurial orientation affects competitive advantage and firm performance by using two studies—one longitudinal with multiple forms of data, and the other utilizing primary data from a survey of senior managers.*

EXTENDED ABSTRACT

Research Questions

While entrepreneurial orientation contributes to firm performance, this research attempts to demonstrate the exact role of EO and the process through which it affects firm performance through a firm's development of competitive advantage. Two main research questions are addressed in this study.

1. How does entrepreneurial orientation affect the formation of a firm's positional advantage and performance?
2. What is the impact of a consistent, prolonged employment of entrepreneurial orientation on the longer-term performance of a firm?

Method and Data

This research conducted two complementary studies to assess the proposed conceptual model and research hypotheses. While the first study employs a longitudinal survey with multiple types of data, the second study adopts a cross-sectional design with primary data from a survey of senior managers.

More specifically, for the first study, a survey of senior managers was used to obtain primary data for the capabilities and competitive advantage constructs, the Market Observation Post System database was used to acquire archival data, and computer-aided text analysis to capture the level and consistency of entrepreneurial orientation. In addition, hypothesized model relationships were assessed employing partial least squares structural equation modeling. The primary and archival data for this study come from electronics companies in Taiwan. The data set is structured from 2013 to 2016.

Summary of Findings

Empirical results provide support for our proposed sequential link of entrepreneurial orientation → dynamic capabilities → competitive advantages → firm performance. The full mediating role of dynamic capabilities and competitive advantage is also supported. Specifically, entrepreneurial orientation can improve both differentiation and low-cost

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advantages through the enhancement of dynamic capabilities. Importantly, the results indicate that the impact of entrepreneurial orientation on dynamic capabilities is amplified when a firm consistently implements entrepreneurial decisions and actions.

Key Contribution

This research contributes to the literature in several aspects. First, based on the RBV and its dynamic capabilities extension, this study contributes to the extant literature by empirically illuminating the internal process of entrepreneurial orientation → dynamic capabilities → competitive advantage → firm performance, in which firms take actions to make use of entrepreneurial orientation, strengthen dynamic capabilities, and further create competitive advantages to improve firm performance. Second, given that a firm's goal

of achieving both differentiation and cost leadership simultaneously is a critical challenge, this study finds that entrepreneurial orientation can simultaneously achieve them. Third, this study contributes to the strategic orientation literature by employing computer-aided text analysis and producing word lists for the two dimensions of entrepreneurial orientation in the context of Chinese language. Fourth, this study provides evidence that consistency in entrepreneurial orientation over time amplifies the relationship between the level of entrepreneurial orientation and dynamic capabilities, highlighting the synergistic effect of the level and consistency of entrepreneurial orientation. Finally, some specific managerial guidance in utilizing and evaluating entrepreneurial-based resources is offered.

References are available on request.

The Role of Future Orientation in Green Product Adoption and Marketing: A Study of Hybrid and Conventional Car Ownership

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Keywords: *green marketing, proenvironmental behavior, green cars, future orientation, sustainability*

EXTENDED ABSTRACT

Green marketing has moved beyond an environmental focus to also include economic and social considerations. The authors link consumers' future orientation characteristics—consideration of future consequences (CFC), risk aversion, need for social recognition (NSR)—to their preferences for green (versus conventional) cars. They also examine the relative importance of environmental and economic benefits. Using data from car owners, they find green car ownership is positively related to CFC and NSR and negatively related to risk aversion. Economic benefits relate more strongly to green car preference than environmental benefits among later versus earlier buyers. Implications and future research directions are discussed.

Although green products can yield significant economic, social, and environmental benefits (Esty and Winston, 2006), their adoption is still at an early stage. Increasing adoption rates for hybrid cars presents a significant challenge to manufacturers and policy makers (Polonsky, 2011). We examine two questions: (i) How do consumers' future orientation characteristics influence their preferences for green versus conventional cars? (ii) Does consumers' emphasis on environmental impact or economic savings relate more strongly to their green car preferences? These questions are relevant from a future orientation perspective, because green cars offer benefits that accumulate over time.

Future orientation broadly refers to one's propensity for future thinking and one's attitude toward the future (Seginer, 2009). It is recognized as a multi-dimensional construct with cognitive, affective, and motivational elements (e.g.,

Trommsdorff and Lamm, 1975; Trommsdorff, 1983). How people temporally define their priorities, feel about uncertainty surrounding future outcomes, and project themselves into the future are components of future orientation. We use the future orientation framework of Nurmi (2005) to examine consumers' green car choices. This framework is suitable because green cars offer environmental, economic, and social benefits over extended time periods, and yet are less proven and priced higher than comparable conventional cars. (Olson, 2013).

Theoretical Framework of Future Orientation

Future orientation is defined as an individual's cognitions and feelings toward her future (Lamm et. al 1976, p. 317). It is characterized as a multi-stage process dealing with anticipated future events and objectives (Nurmi, 1991) and reflects what people envision about their personal lives and external events (Seginer and Lens, 2015). We focus on Nurmi's (2005) future orientation framework, which encompasses cognitive elements (e.g., anticipation and planning), affective elements (e.g., optimism), and motivational elements (e.g., goal pursuit). We examine three personality characteristics that capture different dimensions of future orientation: (i) consideration of future consequences [CFC], which reflects the temporal/cognitive dimension (e.g., Joireman and Liu, 2014), (ii) risk aversion, which reflects the affective dimension (e.g., Trompsdorff, 1983; Trommsdorf and Lamm, 1975), and (iii) need for social recognition [NSR], which reflects the motivational dimen-

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sion (e.g., Markus and Nurius, 1986; Hoyle and Sherrill, 2006).

CFC, an essential aspect of future orientation, measures individuals' focus on the immediate and distant outcomes of their actions. However, future orientation is a broader concept than CFC (Joireman, 1999; Strahman et al., 1994). CFC does not incorporate the extent to which individuals believe future outcomes will be positive. Thus, individuals' capacity to deal with and act on uncertain outcomes are also an important aspect of future orientation (e.g., Bal and Van den Bos, 2012; Gjesme, 1983). Those high in risk aversion tend to focus on the downside of risky decisions—preventing them from choosing options with uncertain future payoffs (see Trompsdorff, 1983). Olson (2013) notes that green products are typically characterized by higher upfront costs, distant or staggered product benefits, and uncertain performance. Thus, choice between green and conventional cars depends on consumers' assessment of and tolerance for uncertainty.

Self-image and social recognition are also important dimensions of future orientation. According to Trompsdorff and Lamm (1975; p. 346), "The investigator should consider the meaning and relative importance of people's future related concerns." One's future concerns and hopes manifest as various representations of the self in the future—referred to as possible selves (Markus and Nurius, 1986; Hoyle and Sherrill, 2006). Many possible selves are an outcome of people's interactions with others and constitute how people envision their future—motivating behavior as people try to attain positive possible selves (e.g., admired self, accepted self), while avoiding negative ones (e.g., rejected self, lonely self). We capture individuals' tendency to seek positive possible selves with NSR. Those high in NSR are concerned about creating and maintaining a favorable image (e.g., Lamont and Lundstrom, 1977). Because driving a green car is a noticeable and costly signal of one's commitment to preserve the environment, NSR is a relevant construct in understanding consumers' preference for green cars.

We define our antecedent variables, present our hypotheses, and discuss the potential role of age as a moderating variable. We propose age as a moderator because individuals' information processing capacity and styles can vary with age (e.g., Cole and Balasubramanian, 1993; Cole et al., 2008; Williams and Drolet, 2005). Research suggests that as consumers age, their decisions are less likely to be shaped by negative information and impression management concerns (e.g., Ariely and Norton, 2011; Lynn, 2009). We expect that differences in future-oriented concerns and motivations (i.e., choices) will depend on their age. Also, since pro-environmental behavior is a function of age (e.g., Otto and Kaiser, 2014), we treat age as a covariate and control for its direct

link to green car preferences. Therefore, age is a "quasi-moderator" in our study rather than a "pure moderator" (Sharma, Durand, and Gur-Arie, 1981).

Hypotheses Development

Consideration of Future Consequences (CFC)

CFC is the "extent to which individuals consider and are influenced by the potential distant outcomes of their current behaviors" (Strathman et al. 1994, p. 743). Prior studies have established a link between individuals' CFC and their behavior involving temporal dilemmas. Others have examined the role of CFC in pro-environmental behavior and social dilemmas. Joireman et al. (2001) find that high-CFC individuals express a greater intention to engage in pro-environmental activities such as donating money to environmental organizations. Joireman et al. (2004) document that people who score higher in CFC exhibit a stronger preference for using public transportation. Kortenkamp and Moore (2006) document that high-CFC individuals exhibit greater willingness to limit their water consumption.

Choosing green cars involves a trade-off between immediate costs (e.g., higher price) and prolonged benefits (i.e., savings on future gas expenditures). Because high-CFC consumers place less emphasis on immediate cash outflows and focus more on the future benefits green cars provide, propensity to purchase a green car relative to a conventional car increases with CFC.

H₁: The higher a consumer's CFC, the higher one's preference for green cars.

Risk Aversion

Individuals' discomfort with uncertainty surrounding future outcomes manifests as risk aversion (e.g., Taylor, 1974; Bearden and Shimp, 1982; Okada, 2010). Uncertainties regarding the performance of newer products exacerbate the perceived risk of buying them. Because many new products are inherently risky, risk-averse consumers either delay purchase or decide not to buy at all (e.g., Cowart, Fox, and Wilson, 2008). In contrast, consumers with lower risk aversion are more comfortable with uncertainty and discount possible losses in their purchase decisions (Peter and Ryan, 1976; Bao, Zhou, and Su, 2003), increasing their tendency to try out and purchase new products.

Green car technology is not well-understood by many potential car buyers (e.g., Glover, 2011), increasing perceived risk of ownership. Also, the rapid introduction of alternative green car technologies highlights an infant industry and a turbulent technological platform. We expect a negative asso-

ciation between consumers' risk aversion and their preference for green cars.

H₂: The higher a consumer's risk aversion, the lower one's preference for green cars.

Need for Social Recognition (NSR)

A key aspect of future orientation is the motivation to seek and project a favorable view of the self (e.g., Hoyle and Sherrill, 2006). We capture this motivation by NSR, which represents the extent to which individuals feel the need to be viewed favorably (e.g., Fry, 1971; Lamont and Lundstrom, 1977). NSR also reflects one's propensity to act with the hope of creating and maintaining a favorable social image over time. This can influence people's spending patterns (e.g., Kurt, Inman, and Argo, 2011), variety seeking (e.g., Ratner and Kahn, 2002), and helping behavior (e.g., Van Rompay et al., 2009).

Previous research shows that people who care about what others think of them exhibit greater willingness to engage in activities benefiting the environment (Zaval, Markowitz, and Weber, 2015). Griskevicius et al. (2010) find that people with status motives are more likely to prefer green products. Buying observable green products helps build a prosocial reputation. Because green cars are publicly visible, socially desirable goods, high-NSR consumers should tend to choose them to convey their concern with socially beneficial consumption and elicit a favorable impression from others.

H₃: The higher a consumer's NSR, the higher one's preference for green cars.

Moderating Role of Age

Age is likely to moderate these hypothesized relationships. Age-related differences in goal setting and information-processing affect individuals' decisions (e.g., Ariely and Norton, 2011; Cole and Balasubramanian, 1993; Cole et al., 2008; Williams and Drolet, 2005). We argue that the positive link between CFC and green car preference will be weaker among older consumers due to differences in their time projections (Yoon, Cole, and Lee, 2009). We do not posit that CFC systematically varies with age. Rather, as consumers age, they should arguably factor CFC less into their purchase decisions because they are more likely to perceive time as constrained (Carstensen, 1995). Given the time needed to break-even on the higher up-front costs of green products, we expect the role of CFC in explaining green vehicle preferences to be less important for older consumers.

H_{4a}: The positive association between CFC and preference for green cars is attenuated for older consumers.

Ariely and Norton (2011) note that older individuals tend to focus more on positive rather than negative information—the "positivity effect." Previous research finds that older people generate more positive evaluations of products from different categories (Kim et al., 2008) and pay greater attention to positive features when searching for cars (Mather et al., 2005). The positivity effect suggests that older consumers may focus more on the benefits of green cars and less on uncertainty associated with this new technology. We expect that consumer age mitigates the proposed negative link between risk aversion and green car preference.

H_{4b}: The negative association between risk aversion and preference for green cars is attenuated for older consumers.

We further posit that the positive relationship between NSR and green car preference becomes weaker with age. First, older individuals are more likely to have an established social image. Second, Martin et al. (2000) argue that older consumers wanting to impress others allocate their time and resources (disproportionately) to activities such as improving physical condition and functioning. We surmise that green cars become less important as an impression management device for older high-NSR consumers. Thus:

H_{4c}: The positive association between NSR and preference for green cars is attenuated for older consumers.

Environmental and economic benefits as determinants of green car ownership

It is managerially important to understand which specific future benefit of green cars—protecting the environment or saving fuel—relates more strongly to green preferences. Unlike some products for which the incremental benefit is solely environmental, green cars can be both environmentally friendly and/or less expensive to operate. Although both benefits are relevant, we focus on their relative importance in predicting preference.

Economic benefits (e.g., lower variable costs) accrue directly to the adopter and are more immediate and certain (Caperello and Kurani, 2012). In contrast, environmental benefits are more abstract and societal. Even when quantifiable measures (e.g., carbon footprint) are available, their tangible impact is vague. While environmental benefits may serve a secondary or higher-order goal, economic benefits to green car owners are more immediate.

H₅: Perceived economic benefits have a stronger association with a consumer's preference for green cars than perceived environmental benefits.

Method

Sample and Data Collection

We test our hypotheses using a survey of hybrid (i.e., green) and conventional car owners. Our dependent measure of preference is not their self-explicated intentions, which mitigates problems with common method variance (Mittal and Kamakura 2001). We limited our respondents to owners of preselected models, focusing only on buyers from model years in which both the conventional and hybrid versions were available (2001 onwards). Respondents brought their cars to the dealership for maintenance, and were compensated with \$10-off coupons toward their next visit.

We obtained responses from 190 car owners (53% hybrid car owners). Our sampling method is stratified random sampling which is a recognized in the literature as an important random sampling method (Churchill and Iacobucci 2009, pp. 298-304). Adopting the alternative approach of simple random sampling (e.g., surveying the owner of every 10th vehicle brought the dealership) would have skewed our sample too heavily in favor of conventional car owners and significantly diminished the power of our test to assess the determinants of hybrid car ownership. Car ownership is a dichotomous measure (hybrid vs. conventional car owner). We excluded 16 participants who had excessive missing data (missing responses on two or more items on any single scale) from the sample (see Morgan et al. 2004). We dropped responses from another 14 people who were not the primary drivers of the cars they brought to the dealership, which left 160 usable respondents for analysis.

Measures

Survey questions fell into four categories: (1) ownership information (e.g., make, year, type, length of ownership), (2) future orientation characteristics, (3) importance of expected benefits (e.g., environmental impact), and (4) demographic data (e.g., income, age, gender). We used a five-item scale drawn from Strathman et al. (1994) to measure CFC and a four-item scale from Mandrik and Bao (2005) to measure risk aversion. A three-item scale adapted from Manfredo, Driver, and Tarrant (1996) assessed NSR. We pretested our measures with students ($n = 74$) at a large U.S. Mid-Atlantic university.

We further asked respondents to rate how important fuel efficiency and environmental impact were in their purchase decision on a five-point scale (1 = "very unimportant," and 5 = "very important"). Respondents indicated their age by selecting one of the following five options: 18–24, 25–34, 35–44, 45–54, and 55 or higher. In our coding, we entered the midpoint for each age category. At the end of the survey,

respondents also reported gender and their household income on an interval scale.

Empirical Test and Results

We test our predictions using a logistic regression model. Table 1A reports the regression coefficients from the main effects model (Column 1), the model with both main effects and interaction effects (Column 2), and the model with main effects, interaction effects, and controls (i.e., miles, income, and gender; Column 3). Regarding control variables, we expect a positive relation between the likelihood of hybrid car ownership and miles driven in the past year. We also predict that the likelihood of hybrid car ownership increases with income (e.g., McGreevy, 2015; Sparshott, 2015). Further, we expect that males would be less likely to prefer hybrid cars due to green-feminine stereotype effect (Brough et al., 2016). Finally, we predict a positive relation between the likelihood of hybrid car ownership and age because pro-environmentalism has been shown to increase with age (e.g., Otto and Kaiser, 2014).

The full model is the basis for our hypothesis testing. Consistent with H_1 , CFC is positively related to the likelihood of hybrid car ownership ($p < .01$). Consumers who focus more on future (versus immediate) outcomes are more likely to own a hybrid. Results also show that the likelihood of owning a hybrid decreases with risk aversion ($p < .01$), supporting H_2 . In addition, NSR is positively associated with preferences for the hybrid version ($p < .01$), in support of H_3 . Consumers high in NSR are more likely to own a hybrid.

The positive relationship between CFC and hybrid preference becomes weaker as age increases ($p < .05$), in support of H_{4a} . Also, the negative relationship between risk aversion and hybrid preference becomes weaker with age ($p < .01$), consistent with H_{4b} . Finally, in support of H_{4c} , the positive relationship between NSR and preferences for hybrid cars is attenuated as age increases ($p < .01$). Regarding the control variables, higher usage, income, and age are positively related to hybrid car ownership, while gender is not.

We test H_5 using a similar logistic regression model where the focal independent variables are respondents' stated importance of environmental and economic benefits. Specifically, we test whether the importance of fuel efficiency (i.e., economic benefits) or environmental impact relates more strongly to the respondents' choice of hybrid cars. The results are in Table 1B. Both variables are significantly and positively related to hybrid car ownership (p 's $< .05$). However, the estimated coefficients of these two variables are not statistically distinguishable from each other ($p > .97$), thus providing no support for H_5 . For further insight, we examined the differences between recent and

non-recent buyers. Logically, environmental impact may carry greater weight in purchase decision of non-recent buyers who bought when hybrids were a newer technology. In contrast, economic benefits may drive a broader attraction and be more closely related to hybrid car ownership among recent buyers. We find that the positive link between expected economic benefits and hybrid car ownership is driven by recent buyers in the sample. Conversely, we find a weaker link between environmental concerns and hybrid car ownership among recent buyers.

Managerial, Public Policy, and Theoretical Implications

The past decade has been favorable to the evolution of green products. Higher energy prices, a growing understanding of global warming, and exciting technological breakthroughs have brought greater visibility to green products. Yet, it is premature to consider them as mainstream products. We discuss how our study has immediate implications for managers, public policy makers, and academicians interested in the adoption of green products, especially green cars.

Managerial and Public Policy Implications

Our findings have implications for the segmentation, targeting, positioning, and marketing strategies. For example, consideration of future consequences (CFC) may be a useful segmentation variable given that many green products offer significant deferred benefits—both environmental and economic. However, because green products can also require higher up-front investment, low-CFC consumers seem more reluctant to adopt. Therefore, in addition to acknowledging the relative assertiveness of green marketing messages (Kronrod et al., 2012), it may be beneficial to develop different green marketing messages: future-focused messages where targeted consumers are reminded of the long term economic and environmental benefits of their green purchase, and immediate-benefit focused promotions that highlight how green purchases begin delivering economic and environmental benefits immediately upon purchase.

Given that potential hybrid car buyers are less risk-averse and place greater weight on future consequences, marketers could attempt to use non-proprietary information on peoples' observed choices in contexts such as financial planning and health management to serve as indicators of future orientation. Higher need for social recognition, another characteristic of hybrid drivers, is another key variable to consider in both targeting and marketing mix development. Promotional messaging could subtly position green alternatives as a means to publicly establish one's commitment to environmental responsibility.

Theoretical Implications

Our research contributes in two important ways. First, we extend the growing literature examining how key personality characteristics and values relate to environmentally friendly behavior. Our focus on future orientation characteristics with the moderating role of consumer age highlights our contribution. Second, an emerging stream of literature investigates the role of environmental concerns versus economic benefits in driving consumers' environmentally friendly behavior (e.g., Hahnel et al., 2014; Steinhorst et al., 2015). We add to this literature by analyzing whether environmental impact or expected economic savings relate more strongly to hybrid vehicle choice.

We see our study as the first full-fledged application of the future orientation framework (Nurmi, 2005) to green marketing and consumption. Our research complements and extends recent work documenting how cultural and environmental values affect consumers' preference for electric vehicles (Barbarossa et al., 2015; Hahnel et al., 2014). While we focus on hybrid cars, we believe this perspective applies to consumers' choice of high-efficiency light bulbs, solar energy-based appliances and other emerging innovations in the green landscape. Our findings are of interest to a broad audience including both psychology and marketing researchers because we demonstrate that future orientation characteristics (CFC, risk aversion, NSR) impact green preferences directly as well as moderated by consumers' age.

Limitations

Because we use actual ownership data, our measurement of respondents' personality and demographic characteristics doesn't predate their purchase decisions. Thus, we implicitly assume that respondents' CFC, risk aversion, and NSR did not change significantly following their car acquisition. However, previous research of self-reported proenvironmental behavior commonly relies on the same assumption (e.g., Ebreo and Vining, 2001; Gatersleben et al., 2002). We don't know respondents' financial conditions at time of purchase. There is no information regarding the amount of government subsidies or tax breaks received by the respondents. Nevertheless, rooted in our study's limitations are significant avenues for future research. We explore them below.

Agenda for Future Research

Green products come from assorted categories. The value propositions are continually changing. And governmental response to green technologies has moved in fits and starts. We outline associated marketing research directions under three heads.

Product Category Effects

While all green products offer environmental benefits, not all provide economic or social benefits. For instance, while green cars and LEED homes are linked to possible social benefits due to their visibility, solar water heaters and LED bulbs are used inconspicuously and primarily for their economic benefits. Thus, we conceptualize a categorization scheme with economic (loosely, utilitarian) and social (loosely, hedonic) benefits as two underlying dimensions. The broader research questions are: How do the impact of economic and social antecedents of green product purchase vary by category? How should potential consumers be identified and targeted for more inconspicuous green products?

Marketing Strategy

The value proposition for green products is complicated because benefits and costs are multi-faceted. Incentives can originate not only from the manufacturer but also from local, state and federal governments. Therefore, a central question is how green versions should be priced vis-à-vis conventional versions. Could a car dealership or third party provide an upfront solutions package: Drive the Honda Insight for seven years at, say, \$5,000 per year (all expenses covered for 70,000 miles)?

This would make certain the cost of ownership and eliminate much of the risk. This goes beyond traditional leasing where the lessee still pays separately for gasoline or electricity.

Regulation and Public Policy

Unlike traditional marketing theory and practice where the predominant interest is the buyer-seller relationship, green marketing cannot ignore influential third parties, namely, government and policy officials. Policies on taxes, incentives and standards can significantly impact the diffusion of green products. How is green product preference influenced by financial versus non-financial incentives from governments? Should they offer upfront incentives (e.g., tax credit) or deferred incentives (e.g., free parking)? Which are more likely to influence purchase? Do consumers' future orientation characteristics moderate their responses to such incentives? How is mental accounting of alternative incentives different?

In sum, green marketing offers many promising research avenues. We urge more studies so that the antecedents of green product adoption and their marketing and public policy implications can be better understood.

Tables and references are available on request.

Optimal Assortment and Pricing Decisions of a Physical Retailer Competing with Third-Party Sellers from Amazon Marketplace

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Chyi-Mei Chen, National Taiwan University

Keywords: Amazon Marketplace, third-party sellers, physical retailer, product assortment, retail pricing

Description: This paper characterizes in a game-theoretic model the optimal assortment and pricing decisions for a small physical retailer competing with third-party sellers from Amazon Marketplace, establishes a connection between a physical retailer's chance of survivorship and Amazon's short-term liquidity.

EXTENDED ABSTRACT

Research Question

Amazon is notorious for its zero dividend payout policy and its ambition to capture every growth opportunity, which may impose significant burdens on its short-term liquidity. Although the commission revenue from the third-party sellers appears important to Amazon, many third-party sellers have complained about the way Amazon has treated them. While EBay would transfer buyers' payments to a third-party seller in about 3 days, Amazon may hold those payments for 4-6 weeks. Amazon's sudden raise of commission rate in March 2017 has upset a significant portion of third-party sellers, and forced many of them to leave the Marketplace. These incidents reflect how Amazon has struggled to meet its short-term liquidity needs. In this paper, we intend to characterize in a game-theoretic model the optimal assortment and pricing decisions for a small physical retailer competing with third-party sellers from Amazon Marketplace, and to establish a connection between a physical retailer's chance of survivorship and Amazon's short-term liquidity.

Summary of Findings

The authors show that Amazon's intention to screen third-party sellers with heterogeneous sourcing costs and assortment policies under a liquidity constraint may randomly trigger a distortive fee increase, which puts some of its third-party sellers out of business, thereby alleviating competitive

pressure on those physical retailers competing directly with the latter third-party sellers. We show that a physical retailer can benefit from adopting an active marketing strategy, making their assortment and pricing decisions contingent upon Amazon's short-term liquidity. Under an optimal policy, a physical retailer would carry more products and perform more in-store screening when Amazon is liquidity constrained than when it is not. On the other hand, we show that Amazon may benefit from adopting several forms of predatory strategy against a weak physical retailer, ranging from prices-snipping to minimizing fee adjustments. Our theory sheds new lights into several empirical phenomena observed in the U.S. retail industry.

Key Contributions

1. Academic people and marketing practitioners are both eager to identify the key factors that affect a physical retailer's chance of survivorship. Our theory offers an in-depth analysis to this end.
2. The existing study of Amazon's marketing decisions has ignored the liquidity constraint arising from Amazon's ambitious growth policy. Some authors (e.g. Jiang et al. 2011) even speculated that Amazon would never adjust its commission rate. Our theory gives a timely explanation to Amazon's curious fee adjustment in March 2017, and

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establishes a linkage between Amazon's short-term liquidity and a physical retailer's optimal marketing strategy.

3. Our theory establishes a linkage between Amazon's short-term liquidity and its choice of the best form of predatory pricing. It provides a rationale for Amazon's prices-sniping behavior (Stevens 2017).
4. Previous research (e.g. Jiang et al. 2011) has suggested that third-party sellers from Amazon Marketplace may be wor-

ried about Amazon's intention to directly compete with them and so they are forced to adopt less profitable strategies in order to confuse Amazon. That research does not relate the tension between Amazon and those third-party sellers to a physical retailer's chance of survivorship. Our theory establishes such a connection and shows that, somewhat surprisingly, the tension between Amazon and its third-party sellers may hurt rather than benefit a physical retailer.

References are available on request.

How Do Bricks Add to Clicks? Understanding the Impact of Showrooming on Online Purchase Behaviors

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Keywords: *omni-channel retailing, showrooming, quasi-experiment, offline-online interaction*

Description: *Using a novel dataset on a national retailer, this study empirically assesses the impact of new store openings on online sales across various product categories, and finds evidence of a showrooming effect.*

EXTENDED ABSTRACT

Research Question

With increasing growth and adoption of ecommerce over the last decade, it is clear that the online channel has become an important consumer touch-point for retailers. However, we begin to see a reverse trend recently wherein online retailers, e.g., Amazon, are starting to launch bricks-and-mortar stores to supplement their online business (Bensinger et al. 2014). Here, a natural question pertains to whether offline stores are effective in enhancing online sales and how it affects purchasing patterns, if so. Related to this inquiry is the showrooming concept, which involves customers gathering product information in store, comparing that with online information, and making their purchase online. Retailers are anxious about the showrooming phenomenon, as it is widely believed that they may end up covering the cost of carrying the product in-store, but do not receive the corresponding revenue, as customers give their dollars to their online competitors. This belief is unsurprising, given that there is limited evidence and understanding of the showrooming effect (Bell et al. 2018). Motivated by the void in this literature, we set forth to shed light on the showrooming effect, with the specific objective of understanding whether it contributes positively towards to retailers, and how it does so.

Method and Data

We investigate the impact of offline stores on online sales using proprietary data provided by one of the largest retailers in China, *Suning*. The Chinese market is an important one to study as it represents a market with abundant growth opportunities for product companies. In our dataset, we are able to observe the location and time at which a new Suning store opens, along with the changes in demands patterns of customers living in the vicinity. Specifically, we observe 67 new stores opening during our study period (August 2014 to March 2016), in Beijing, Nanjing, and Shanghai. The dataset includes all transactions, both online and offline orders. For each transaction, we have information on the product sold, the price of the product, the quantity purchased and where the consumer lives. Using cluster analysis, we identify various service tracts across different cities. We aggregate the online transactions to the tract-week level, yielding 234,544 observations spanning across 86 weeks. We use a quasi-experiment design with propensity score matching to examine the impact of a new retail store on online demands. Specifically, we used a DiD framework to contrast the online sales from the treated tracts with that from the control tracts.

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Summary of Findings

Our analysis shows that online sales in the location increase when a new store opens. The result suggests that the online sales of the tract near a new store increases by 26%, on average. Mapping that to a dollar value, a new physical store brings in additional online sales worth US\$10.32 million per week, equating to additional annual revenue of US\$536.9 million. We provide evidence that this increase is indeed a result of showrooming by showing that the increase in sales only occurred for products that are physically sold in the store, and that sales did not increase for products not sold in the store. We further refine our analysis by segmenting the tracts into those that have preexisting physical stores, and those that do not. We find that the showrooming effect is the strongest for the products that are available in both the new and preexisting stores. Moreover, we found a novelty effect wherein products that are available only in the new store experience a positive gain in online sales, but not so for products that are only available in the preexisting store. Finally, the showrooming effect seems to be present across high and low involvement products.

Key Contributions

We make a few contributions. First, we are among the first to provide evidence of a positive showrooming effect. While

previous studies have documented a showrooming effect for online-first retailers (Bell et al. 2018), we are not aware of other academic effort that demonstrated a showroom effect for traditional brick-and-mortar stores. Such a finding is important to practitioners as it dispels the widespread belief that the opening of new stores is less valuable due to online competition. Second, our results uncover varied nuances regarding showrooming. The finding of a greater showrooming effect with more stores meant that retailers should not shy from launching new stores in areas that already have stores. Additionally, since a new store enjoys larger number of visits compared to an existing one (due to novelty effect) would meant that retailers should consider their product placement strategies appropriately when there are multiple stores in close vicinity. Finally, the last sub-finding provides new theoretical inroads on how showrooming works. Given that showrooming is not limited to high involvement products as theory suggests, it indicates that showrooming also bears an advertising effect that generates awareness and interest towards products that consumers see in the store, leading to greater purchase.

References are available on request.

The Antecedents of a Reverse Channel Strategic Choice in Ecommerce Platforms

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Keywords: *reverse channel, reverse logistics, e-commerce platform, organizational motivation and ability*

Description: *This research aims to investigate the antecedents of suppliers' participation behavior for ecommerce platform-centered reverse channel strategy using motivation-ability framework analysis.*

EXTENDED ABSTRACT

Research Question

Product return is a critical marketing tool for firms to maintain sustainable customer relationships, and reverse channel is firms' distribution of returned products flow from a customer back to the supplier. Studies have shown that reverse distribution reflects a firm's ability of customer relationship management and cost and profit implications for the focal firm. More importantly, customers' experience in product return can influence their repurchase decision.

Conventionally reverse channel in ecommerce platforms is dominant by suppliers, in which online retailers only transfer the returned products from customers to suppliers; however, with the increasing efficiency and rising power of ecommerce platforms, platform makers start to take over the salvage of returned products. A growing body of studies about reverse channel management has investigated antecedents and consequences of product returns, pricing and return policies, reverse channel structures, as well as reverse channel choices. However, most studies investigate the reverse channel from manufacturers' or product suppliers' perspective and rarely involve third-party distributors or ecommerce platform in discussions. This study mainly aims to combine both perspectives in examining the effectiveness of reverse channel structure design. More specifically, we attempt to compare supplier-centered reverse channel (SCRC) with ecommerce platform-centered reverse channel (PCRC).

Building on transaction cost economics and resource-based view, our research investigates the participant organization

behavior in the PCRC structure. In line with Grewal et al.'s (2001) research, we identify the nature of the organizational participation, that is, whether the ecommerce suppliers actively participate in the PCRC or just be a mere passive observer. In particular, since the success of the PCRC structure depends not only on the value of the platform maker provides but also the assessment of the adopting tradeoffs by the participant organizations, we also examine the antecedents influencing on participant organizations' reverse channel strategy choice between the PCRC and SCRC by using motivation-ability framework analysis.

Method

We conducted this study with the coordination of JD. The first step in data collection involved interviews with senior managers. After that, we distributed and obtained 327 samples of firm-level survey data from JD's subscribed suppliers. A polychotomous dependent variable was used to measure the degree of organizational participation on PCRC, and we adapt independent variable measurement scales from previous studies. The ordinal logit regression model was adopted to test hypotheses because of our polychotomous dependent variable.

Results

We are interested in the antecedents of organizational motivations (i.e. efficiency motive and customer orientation) and abilities (i.e. logistics capability and communication ability) on ecommerce participant's strategic choice of reverse channel management. Our results reveal that organizational efficiency motive and communication ability have positive

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association with the likelihood of adopting the PCRC strategy; whereas, the logistics capability negatively associates with participant's propensity of adopting the PCRC strategy. Customer orientation is effective only when the platform maker is considered as low reputation. Moreover, the effectiveness of communication ability is enhanced when the platform maker is regarded as well reputed.

Contribution

We attempt to advance extant studies on both reverse channel management and ecommerce platform by focusing on participants' choice of two different reverse channel strategies. Different from prior studies of analytical models, this

research extends reverse channel management to the strategic domain from the empirical perspective. Furthermore, prior research mainly discussed the role of the platform maker as a market governor or facilitator to serve participants, but little of them emphasized on the role of the platform maker as a strategy sponsor or pioneer. To move beyond this position, we take initial steps toward examining how ecommerce participant responses to the platform maker centered strategy. In particular, we consider the organizational issue between the ecommerce platform maker and the suppliers to theorize a new reverse channel structure.

References are available on request.

The Short- and Long-Term Impact of Adding Online-to-Offline Channels on Firms' Offline and Total Sales and Profits

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Keywords: *online-to-offline, omnichannel, channel addition, emerging markets, panel regression models*

Description: *The authors find that adding O2O channels hurts offline and total profits in the short run but increases offline and total sales in the long run, by 28.19% and 44.68%, respectively.*

EXTENDED ABSTRACT

Research Question

In its early days, electronic commerce focused on products, but as it has matured, the mobile Internet has fundamentally reshaped the service sector as well, from one in which consumers enter the providers' environment to one in which service providers enter consumers' settings through anytime, anywhere mobile devices. The O2O (online-to-offline) business model envisions customers ordering local daily life services (e.g., restaurants, florists, grocery and medicine delivery, car wash, nail and hair services, and laundry and other housework) online via platform-based mobile apps and having the services almost instantly delivered offline to their door. Just Eat, Delivery Hero, Uber, Instacart, Washio, and Handy are examples of branded O2O service platform apps. These branded O2O apps represent an important new sales channel (Verhoef, Kannan, and Inman 2015). In China, by the end of 2015, more than 300,000 restaurants in 260 cities had added the O2O channel Ele.me, and the channel had reached more than 33 million orders daily (Lee 2015). Despite this growth and interest, it remains unclear what is the short- and long-term impact of adding an O2O channel on the firms' offline and total sales and profits?

Method and Data

We use panel regression model techniques to quantify the short- and long-term performance impact of introducing O2O channels on firms' (1) offline sales revenues, (2) offline

net profit, (3) total sales revenues, and (4) total net profit. We gather a unique, daily data set from a fast-food company that runs 35 physical stores and joined four food delivery O2O channels in China (Baidu, Meituan, Ele.me, and Koubei) between February 5, 2013, and December 31, 2015. Food delivery is an important category in O2O for several reasons. First, it is a key example of the "high frequency and low price" local daily life services that characterize O2O (Zhao and Wu 2015). Second, in local daily life services, the food catering industry has taken the lead in exploiting the new O2O sales channel. Hirschberg et al. (2016) report that the 2015 global market for O2O food delivery was \$91 billion, and the O2O marketing scale of China's catering industry alone was \$20 billion (Chen 2017). Thus, the food delivery industry tends to act as the pacesetter for the O2O economy and may foreshadow the trends that are emerging more slowly in other O2O industries.

Summary of Findings

We find that adding O2O channels will boost offline and total sales in the long run by 28.19% and 44.68%, respectively—considerably higher than the 20% total sales increase reported in U.S. studies for adding the physical store channel (Avery et al. 2012, Pauwels and Neslin 2015), as well as the 19.8% increase in total sales found after adding a firm-owned mobile channel in a South Korean study (Bang et al. 2013). Therefore, the O2O channels seem

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to complement traditional offline channels' sales, a finding consistent with previous research that indicates that "the often-cited cannibalization fear has been largely overstated" (Deleersnyder et al. 2002, p. 346). In a similar vein, we find that although adding O2O channels hurts offline and total profits in the short run, it improves offline and total profits in the long run. These results challenge previous research into the sales effects of pure online or pure offline channels and highlight the attractiveness of O2O channels in improving sales and profits.

Key Contributions

The current work contributes in four ways to prior literature. First, we add to channel addition literature by evaluating the introduction of an emerging new channel type: the O2O channel. The O2O channel differs from traditional online channels in many ways (e.g., local services plus platform

feature), and this difference leads us to predict different sales and profits effects compared with adding traditional online channels. Second, data limitations prevented previous research from analyzing the impact of channel addition on profits. Both Avery et al. (2012) and Pauwels and Neslin (2015) call for research on the profitability of channel additions. Third, while many studies investigate companies operating in the Western markets with relatively older data, current marketing literature is silent on how adding an O2O channel affects offline and overall performance in emerging markets. Finally, previous research has investigated single-channel additions. It is unclear whether adding more than one channel, each with its own characteristics, will exert varying impacts on performance. The above literature gaps have been addressed in this paper.

References are available on request.

The “Face” of Marketing: Using Facial Width-to-Height Ratio to Predict CMO Strategic Decision-Making

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Prachi Gala, Elon University

Keywords: *CMO, strategy, personality, individual differences, masculinity, facial width-to-height-ratio, new product introductions, advertising, research and development*

EXTENDED ABSTRACT

Research Question

Little is known about the individual differences of the Chief Marketing Officer from a research perspective. Previous research has looked at organizational or environmental differences such as managerial discretion (Boyd, Chandy and Cunha 2010) and relative power (Nath and Mahajan 2011), but no research to this point has looked at the character or personality traits of these “enigmatic creatures.” This is important because personality has been found to play a role in the strategic decisions that top management team members make (Peterson 2003).

Accordingly, this research looks at these influential members of the TMT and hopes to illuminate the influence of individual differences on the strategic decisions that they make. More closely, this study looks at an observable indicator of personality (masculinity) in hopes of providing the first glimpse into explaining how individual differences of the person charged with the CMO position in the organization can influence of this trait on strategic marketing outcomes and help to explain heterogeneity between organizations marketing decision-making.

Method and Data

To investigate this question, panel data was collected representing 184 firm-year observations. Fortune 500 CMOs were chosen based on the following criteria: (i) employed in the position for a minimum two years prior to 2015, (ii) an appropriate picture of their face could be found. Using the

picture of the CMO, facial width-to-height-ratio was calculated by measuring the distance between the two zygions (bizygomatic width) as indicated by the cheekbones, relative to the distance between the upper lip and the highest point of the eyelid (height of the upper face) in each photo. Previous research has indicated that the use of photos, rather than the measurement of the skull is a valid indicator of fWHR (Carré and McCormick 2008). Advertising and Research and development were measured using the total annual dollars spent on each during each year of the CMOs tenure. NPIs were measured using the total number of unique product introduction announcements released by the firm in each year of observation. Our marketing outcome dependent variables were collected using the Capital IQ and Compustat databases. Since all of the outcome variables were continuous, time-invariant count variables, negative binomial regression was used in the analysis.

Summary of Findings

Given the significant findings of the research above, those firms’ whose CMOs who are more masculine, as suggested by a higher fWHR, will invest more in advertising, invest more in R&D and tend to release more new products to market.

Key Contributions

From an academic perspective, this paper adds to the literature on Top Management Team personality traits by providing a nuanced example of a personality trait expected to impact strategic decision-making that has to this point not

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been investigated in the field of marketing (masculinity) and uses a new and unique objective measure of this trait (facial width-to-height-ratio) which is also yet to be used in the field of marketing. Also, since the majority of work on differences between Chief Marketing Officers has been on environmental and institutional differences, this paper is the first to look at this position from the angle of individual differences and personality. These findings are the first glance into how the characteristics and traits of the CMO play a role in the firm's strategic marketing outcomes. From a practitioner's view, this paper provides an observable indicator to corporate boards and investors signaling the riskiness of their investment in a firm. Knowledge of this indicator might suggest to the firm's CEO, chairman or other board members that there

needs to be stronger processes and systems in place to keep a closer eye on the CMO as they determine spending levels, speed at which decisions are made and how quickly products are pushed to market. Additionally, it serves as a possible hint for employees (such as millennials) who are in search of environments in which the firm may be more likely to be fast moving or changing. This research suggests that marketing departments run with more masculine CMOs should offer greater daily challenges and a more fluid work environment. Conversely, employees who prefer the more routine may prefer to work for a firm where the CMO is less masculine and as a result less aggressive and/or competitive.

References are available on request.

Information Sharing, Channel Coordination and Manufacturer's Optimal Promotion Mix When CMOs Care About Stock Trading

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Keywords: *information sharing, channel coordination, CMO stock trading, coupon strategy, trade promotion*

Description: *This paper characterizes equilibrium marketing decisions, channel coordination, and information sharing within a non-integrated distribution channel using a game-theoretic model recognizing that CMOs may be able to engage in stock trading based on privileged information unavailable to the public investors.*

EXTENDED ABSTRACT

Research Question

Casual empiricism suggests that CMOs do take into account the subsequent stock-market reactions when making marketing decisions. In general, a CMO may care about stock-market reactions or stock trading for at least two reasons. First, his compensation may relate directly to the firm's share prices. Second, he or she may be able to trade the firm's shares with privileged information unavailable to the public investors. This paper studies a game-theoretic model that captures these two factors and analyzes how CMO stock trading may impact marketing decisions, channel coordination, and information sharing within a non-integrated distribution channel. Two scenarios regarding demand uncertainty are considered. In scenario A, the retailer is facing uncertain demand quantity when announcing a retail price. In scenario B, buyers are sure to have unit demand, but the retailer does not know the low-valuation segment's willingness to pay.

Summary of Findings

(1) In both scenarios A and B, with CMO stock trading, demand information can impact marketing decisions and channel coordination even if that information arrives after all relevant marketing decisions have been made. (2) In sce-

nario A, CMO stock trading leads to a lower wholesale price, a higher retail price, and a worsened channel coordination problem, but the retailer may voluntarily commit to share demand information with the manufacturer, which partially alleviates the channel coordination problem. (3) In scenario A, linking CMO compensation to the short-term stock prices always benefits the firm's shareholders, as it induces the CMO to care more about the firm's long-term earnings and less about the insider trading gain. (4) In scenario B, there are high-valuation and low-valuation buyers, and demand uncertainty is regarding the low-valuation buyers' willingness to pay. There are three classes of sales promotion strategies for a vertically integrated channel: (a) those ensuring that every buyer is sure to be served; (b) those ensuring that only high-valuation buyers are served; and (c) those ensuring high-valuation buyers are served for sure but low-valuation buyers may or may not be served. With an opportunity to engage in insider trading, the CMO of the upstream manufacturer within a non-integrated channel is tempted to choose some class-(c) strategy over the strategies from the other two classes. This latter fact is shown to have profound implications for channel coordination and information sharing: depending on the configuration of consumers and the intensity of liquidity trading in the stock market, CMO stock

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trading may induce the manufacturer to alter its promotion mix in any possible manner.

Key Contributions

1. Our theory has testable implications and sheds new lights into real-world sales promotion decisions.

2. Our theory supplements several branches of marketing literature. At first, the existing literature on information sharing within a distribution channel or supply chain asserts that demand information that arrives after all relevant marketing decisions are made are worthless; see for example Lee et al. (2000), Cui et al. (2015), Jiang et al. (2016), Shang et al. (2016), Chu et al. (2017). We show that, by contrast, if the retailer's CMO rationally expects that he can engage in insider trading based on demand information arriving subse-

quently, his concern for the ex-post stock trading gain would induce him to alter his ex-ante marketing decisions, and may even encourage him to share information with the manufacturer's CMO.

3. Our theory also supplements the existing literature on trade and pull promotions, where in the absence of CMO stock trading a manufacturer's discriminatory coupon always helps improve the channel coordination efficiency and raise the sum of channel members' profits; see for example Gerstner and Hess (1991; 1995), Venkatesan and Farris (2012), Arya and Mittendorf (2013), and Yuan et al. (2013). We show that with CMO stock trading a manufacturer's coupon may reduce the channel members' profits.

References are available on request.

Balancing Act: Effect of Female Power in the Top Management Team on Investments in Marketing

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Vijay Mahajan, University of Texas at Austin

Keywords: *top management team, female power in the TMT*

Description: *A longitudinal analysis of 221 publicly traded U.S. Fortune 500 firms supports the authors' hypotheses that an increase in gender balance in the top management team increases a firm's attention to customer relationships, which is demonstrated by a positive association with CMO presence, advertising intensity, corporate social responsibility, and ultimately, firm performance.*

EXTENDED ABSTRACT

Research Question

The top management team (TMT) is responsible for charting firm strategy, and understanding what factors influence and motivate this group of leaders to invest in marketing is key for scholars and practitioners trying to build organizations that will leverage marketing principles. A limited marketing literature explores the effect that TMT composition and senior executives' traits such as family ownership, political ideology, degree of narcissism, and attentional focus have on marketing strategy and firm performance (e.g., Kashmiri and Mahajan 2014; Kashmiri and Mahajan 2017; Kashmiri, Nicol, and Aurora 2017; Yadav, Prabhu, and Chandy 2007). However, despite a growing body of work in other business disciplines demonstrating that female representation on the TMT influences firm strategy and performance (Jeong and Harrison 2017), to our knowledge, no research to date has examined the effects that a greater gender balance in the TMT has on marketing or marketing outcomes specifically.

Method and Data

We observed a sample of 221 publicly traded U.S. Fortune 500 firms over a seven-year period (2007–2013) and collected data on these firms from four sources: (1) ExecuComp, (2) company annual reports (10Ks and proxy statements), (3) KLD STATS, and (4) S&P's COMPUSTAT. We use an operationalization similar to Feng, Morgan, and

Rego's (2015) composite measurement of marketing department power to create our measure of female power in the TMT, which includes the following items: (1) the proportion of women in the TMT, (2) the hierarchical level of the highest level female executive's job title, (3) the cumulative hierarchical level of all female executives in the TMT, and (4) the number of responsibilities reflected in female TMT executives' job titles. We used the longitudinal data analysis technique most appropriate to examine the relationship between our construct of female power and our dependent variables of interest, including random effects logistic regressions, random effects regressions, and fixed effects regressions.

Summary of Findings

The results support our hypotheses that a relative increase in female power in the TMT is positively associated with CMO presence, advertising intensity, and corporate social responsibility. Advertising intensity and corporate social responsibility, in turn, mediate the positive relationship between female power in the TMT and firm performance.

Key Contributions

This study sheds light on the role that women can play at the highest levels of the firm and expands this domain of knowledge into the marketing realm. Despite a growing body of

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research on women on the TMT across multiple business disciplines, this study is the first, to our knowledge, to examine the effect that female top managers have on marketing outcomes specifically. We demonstrate that female power in the TMT is associated with a greater likelihood of having a CMO to represent customers' interests at the highest level of the firm. We also demonstrate that female power in the TMT is positively associated with greater advertising spend, more social strengths, and fewer social weaknesses, supporting

our theory that female managers encourage investments in building and leveraging customer relationships. Finally, we show that marketing activities mediate the positive link between female power in the TMT and firm performance, indicating that one means by which female managers enhance firm performance is their encouragement of investments in marketing.

References are available on request.

How Simon's Scissors Cuts Perplexity in Marketing Strategy Theory, Research, and Practice

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Keywords: *configurations, marketing capabilities, marketing capability execution, objective firm performance, subjective firm performance*

Description: *The study proposes and tests how marketing executed capabilities within several of 81 potential context (task environment) configurations—large v. small, private v. state, domestic v. international, B2B versus B2C, and ambiguous settings for each—associate with each of four possible complex outcomes: high profit and high (market) share; high profit and low share; low profit and high share; and low profit and low share.*

EXTENDED ABSTRACT

Research Question

Firms' operating contexts and asymmetric perspectives of success versus failure outcomes are two important features typically absent in research on firms' implemented strategies. The study here describes and provides examples of formal case-based models (i.e., constructing algorithms) of firms implemented strategies within several of 81 potential context (task environment) configurations—large v. small, private v. state, domestic v. international, B2B versus B2C, and ambiguous settings for each. The study proposes and tests how marketing executed capabilities in these different contexts associate with each of four possible complex outcomes: high profit and high (market) share; high profit and low share; low profit and high share; and low profit and low share. The research questions include examining whether or not B2B versus B2C successful (and separately, failure) implemented strategies occur within each of a few configurational firm contexts.

Method

The study applies the tenets of complexity theory (e.g., equifinality, causal asymmetry, and single causal insufficiency). The study extends Herbert Simon's human rational behavior is shaped by two blades of scissors (i.e., the structure of task environments and the computational capabilities of the

actor) analogy to represent the two blades of firm implemented strategy: design/execution of marketing capabilities and the context of the firm's operational environment. The study proposes a meso-theory and empirical testing position for solving "the crucial problem in strategic management" (Powell, Lovallo, and Fox, 2011: 1370)—firm heterogeneity—why firms adopt different strategies and structures, why heterogeneity persists, and why competitors perform differently. A workable solution is to identify/describe implemented executive capability strategies that identify firms in alternative specific task environments which are consistently accurate in predicting success (or failure) of all firms for specific implemented capabilities/context configuration. The study shows how researchers can perform "statistical sameness testing" and avoid the telling weaknesses and "corrupt practices" of symmetric tests such as multiple regression analysis (Hubbard, 2015) including null hypothesis significance testing (NHST). The study here describes and provides examples of formal case-based models (i.e., constructing algorithms) of firms implemented strategies within several of 81 potential context (task environment) configurations—large v. small, private v. state, domestic v. international, B2B versus B2C, and ambiguous settings for each using survey responses of 430 CEO and chief marketing officers in 430 Hungarian firms.

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Summary of Findings

The study includes testing the research issues using survey responses of 430 CEO and chief marketing officers in 430 Hungarian firms. Algorithms indicating success cases (firms) as well as failure cases were tested via deductive, inductive, and abductive fuzzy-set logic of capabilities in contexts solutions. Hermann Simon's (1992) "hidden champions" proposal is one of the deductive models that the study examines. The findings indicate that the theoretical stance and empirical approach of building and testing algorithms (cf. Gigerenzer, 2001; McClelland, 1998) permits the strategy researcher to move beyond the current quagmire of conflicting findings and shallow reporting of only directional relationships.

Key Contributions

The general theory presented in the study indicates that the theoretical stance and empirical approach of building and testing algorithms (cf. Gigerenzer, 2001; McClelland, 1998). The general theory permits the strategy researcher to move beyond the current quagmire of conflicting findings and shallow reporting of only directional relationships. The study extends Herbert Simon's human rational behavior is shaped by two blades of scissors (i.e., the structure of task environments and the computational capabilities of the actor) analogy to represent the two blades of firm implemented strategy: design/execution of marketing capabilities and the context of the firm's operational environment.

References are available on request.

The Effect of Performance Ambiguity on Firms' Unexpected Marketing Investments

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Keywords: *unexpected marketing investment, performance ambiguity, analyst coverage, strategic flexibility, competition*

EXTENDED ABSTRACT

Research Question

This study attempts to answer the following questions:

1. Why and when do firms spend unexpected marketing expenditures?
2. Why do firms present heterogenous behaviors in terms of unexpected marketing investment even if they have achieved similar performances?

Method and Data

This study uses a multi-source dataset collected from 421 S&P 500 companies covering year from 2007 to 2015. A fixed-effect model is used to test the hypotheses.

Summary of Findings

This study finds that ambiguous performances due to the inconsistency between historical and social comparisons motivate managers to allocate unexpected resources to marketing ends. However, this effect is weakened when a firm

has higher level of analyst coverage and strengthened when a firm has more strategic flexibilities. Moreover, the findings suggest that, in a competition intensive environment, the contingent role of analyst coverage becomes less critical while the contingent effect of strategic flexibility becomes more significant.

Contributions

Drawing on the behavior theory of the firm, the present study contributes to the extant literature by investigating how firms' performance ambiguity—the extent to which a firm's historical performance is inconsistent with its social performance—influences their unexpected marketing investments. In addition, this study extends the current literature by examining the contingent influences of both internal and external factors, including a firm's analyst coverage, its strategic flexibility, and the industry competition intensity.

References are available on request.

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Interactive Effects of FGC Content Type with FGC Content Characteristics and UGC Content Valence on Firm Performance

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Keywords: *firm generated content, user generated content, message quality, message goal consistency, firm performance*

Description: *This study looks into the conditions under which firm generated branding messages and non-branding messages on firm performance.*

EXTENDED ABSTRACT

Research Question

Research has predominantly looked at the impact of UGC on consumer behavior and firm performance. An emerging stream of research has started to explore the relationship between FGC and firm performance. Despite the general understanding of FGC's positive effect on firm performance, an important knowledge gap remains with regard to understanding how different types of FGC impact firm performance. Studies have recognized that content of FGC communications is important, and it is better to explore finer granularity of its influence. Moreover, because of simultaneous involvement of both consumers and marketers on social media, it is important to understand how different types of FGC and UGC simultaneously affect firm performance. This research aims to bridge the gaps in our understanding of the impact of different types of FGC as well as the interaction of UGC and FGC on firm performance.

Method and Data

We test our conceptual framework using the longitudinal data collected on a major global consumer electronic firm whose name is concealed per our corporate partner's request. The firm has its Facebook page and Twitter account, which the firm uses as platforms to engage with consumers. Consumers engage with each other by generating content on various social media platforms such as Facebook, Twitter,

and Amazon product reviewing. Our measurements for variables are from multiple sources. Our analysis employs rigorous econometric methods, which account for reverse causality, unobserved factors, consumer selection, endogeneity, and other issues. We conduct robust tests.

Summary of Findings

The inverted U-shaped relationship between branding messages and sales revenue is observed. The negative impact of non-branding messages on firm performance increase dramatically. As message quality increases, the effect of branding messages on sales revenue becomes significantly stronger. Message quality mitigates the negative effect of non-branding messages on sales revenue. The effect of branding messages on sales revenue is moderated by message goal consistency. The results suggest that there is a synergistic effect between brand-related FGC and positive UGC whereas negative UGC attenuates the positive relationship between brand-related FGC and sales revenue. Results also show that non-brand-related FGC dilutes the impact of positive UGC and magnifies the adverse effect of negative and neutral UGC on sales revenue.

Key Contributions

This research makes several novel theoretical implications. First, it answers the call to study different types of FGC on firm performance and shows that brand-related FGC has a

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positive impact on firm performance whereas non-brand-related FGC negatively impacts firm performance. Second, this research is among the first to propose a nonlinear effect of FGC and firm performance rather than a monotonic relationship. FGC is good, but too much of a good thing can produce other problems such as overloading consumers with too much information and wasting resources for producing messages. Third, our study explores the boundary conditions of

the impact of FGC on firm performance and suggests strategies to manage FGC such as crafting high-quality messages and maintaining message goal consistency. Fourth, this study provides insights about the interaction of FGC and UGC on firm performance and shows that researchers should consider both FGC and UGC simultaneously.

References are available on request.

Satisfying Stakeholders at all Costs: Myopic Marketing Management and Corporate Social Responsibility Reporting

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Keywords: *myopic marketing management, corporate social responsibility, earnings management, initial public offering (IPO), agency theory, stakeholder theory, computer-aided text analysis, reporting*

Introduction

The initial public offering (IPO) is a defining step as its success determines if a firm receives various benefits or serious harm (Fischer and Pollock 2004). Thus, as firms going public seek to impress investors, it became widespread to artificially inflate profitability by cutting expenses whose negligence does not manifest immediately (Kothari, Mizik, and Roychowdhury 2016). To boost earnings, a considerable proportion of firms performs unjustified cuts on their marketing budget, which is known as myopic marketing management (MMM). This practice initially allows firms to reach superior valuations (Saboo, Chakravarty, and Grewal 2016). However, as the reported earnings are rather based on manipulation than value creation, the abnormally elevated levels of profitability cannot be maintained after the IPO (Saboo, Chakravarty, and Grewal 2016). Conversely, the underinvestment into intangible marketing assets leads to a loss of “brand equity, customer loyalty and market-sensing capability” (Srinivasan and Hanssens 2009, p. 294), which ultimately results in a negative net effect on firm value (Saboo, Chakravarty, and Grewal 2016).

MMM received major academic attention from the fields of finance, accounting and management, and its arbitrary effects proved robust to replications in various valuation-relevant contexts. However, literature one-sidedly focused on financial outcomes, leaving the potential to assess myopic marketing from the perspective of marketing itself mostly unfulfilled (Mizik and Jacobson 2007). Though recent research demonstrated the key role of market-oriented measures in understanding both myopic behavior and IPO

valuation (Saboo, Chakravarty, and Grewal 2016; Saboo, Kumar, and Anand 2017), academia still lacks essential knowledge about how MMM is embedded into a firm’s overall self-presentation strategy. Precisely, research has raised, but not yet answered, the questions: (1) Is MMM part of a multi-level strategy to satisfy stakeholders? (2) Is the relationship between MMM and other approaches to satisfy stakeholders influenced by characteristics of these stakeholders?

Building on agency and stakeholder theory, we fill these gaps by examining the association of MMM with corporate social responsibility (CSR) reporting. CSR is a socially desirable concept of reflection and forethought to satisfy stakeholders and was successfully applied across a multitude of marketing contexts (Maignan and Ferrell 2004). Moreover, we consider the moderating roles of pre-IPO shareholders and key customers (Saboo, Chakravarty, and Grewal 2016) in an empirical analysis, resulting in a threefold contribution.

First, our research allows understanding MMM more holistically, extending scarce myopia literature as one of the first to deliver insights that are “not already contained in current-term accounting measures” (Mizik 2010, p. 609).

Second, we further develop screening metrics to identify unjustified cost cuts more precisely. In doing so, we highlight the importance of marketing management as a strategic firm activity, and sensitize practitioners as managers, regulators, analysts and investors to pay special attention to poten-

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tially myopic activities of firms even before any negative consequences manifest.

Third, we advance stakeholder and agency theory by showing that MMM and CSR are complementary tools to manage the public impression around IPOs, and that CSR reporting is used as a means to mislead investors about the true responsibility of a firm. We further reveal that MMM, though it is short-sighted from a financial perspective, is part of a complex anticipatory strategy that aims at opportunistically influencing investors in several ways.

Theoretical Foundation

MMM defines the practice of reducing marketing spending to inflate short-term earnings (Mizik 2010). Agency theory explains the incidence of MMM, with the shareholders seen as principals, and the managers as agents (Jensen and Meckling 1976). As managers have information advantages over shareholders and are short-term incentivized, they act in their own instead of shareholders' interests (Murphy and Jensen 1990), which can be described by moral hazard (Warfield, Wild, and Wild 1995). As managerial actions can neither be perfectly observed by shareholders, nor can the observable amount of managerial actions be interpreted with precision, managers have a certain scope to pursue their own short-term incentives at the expense of long-term firm value by engaging in MM without being detected (Akerlof 1970; Brandenburger and Polak 1996; Myers and Majluf 1984; Narayanan 1985; Spence 1973; Stein 1989). Moreover, to make their firms look healthy, managers imitate successful firms, for instance "generate positive earnings, sustain recent performance and meet analysts' expectations" (Madhogaria, Sutton, and Kohers 2009, p. 1770).

When accounting-based earnings management was impeded by the Sarbanes-Oxley Act in 2002, firms shifted towards a primary use of real earnings management (REM), and so did the focus of research (Zang 2012). REM refers to a direct intervention into business processes, including MMM and other unjustified budgets cuts (Chapman and Steenburgh 2011). As MMM is a technique to maximize firm value at a specific point of time, researchers predominantly studied its influence on stock market valuations and found contrary effects. In the short run, myopic firms successfully mislead the market towards higher valuations. For example, Saboo, Chakravarty, and Grewal (2016) demonstrate that firms acting myopically before their IPO achieve superior outcomes. In the long run, conversely, myopic firms systematically underperform their non-myopic counterparts for several years (Mizik 2010).

Researchers consistently find this pattern among firms facing valuations, which is around reporting deadlines (Gra-

ham, Harvey, and Rajgopal 2005), Seasoned Equity Offerings (SEOs) (Mizik and Jacobson 2007) and IPOs (Saboo, Chakravarty, and Grewal 2016). Firms also practice MM to avoid reporting losses (Bushee 1998).

Drivers of myopia have been found to be pressure to fulfill shareholders' expectations (Bartov 1993; Bushee 1998; Graham, Harvey, and Rajgopal 2005), and managerial short-term incentives (Dechow and Sloan 1991). Among all ways of manipulating earnings, MMM is the hardest one to detect (Cohen, Dey, and Lys 2008), and the one causing the most severe damage to total firm value (Mizik 2010).

Research Model and Hypotheses Derivation

Main Relationship Between MMM and CSR Reporting

MMM may serve the managers, but ultimately harms all other parties. In this light, MMM seems incompatible with the concept of CSR, which refers to the understanding of sustainability and forethought in a firm's business activities to protect and benefit all stakeholders. However, stakeholder theory suggests that the reporting of CSR in IPO disclosures does not primarily reflect true moral aspirations, but is rather of an instrumental nature to express alignment with stakeholder concerns (Agle, Mitchell, and Sonnenfeld 1999; Ballou et al. 2006; Berman et al. 1999). Thus, MMM and CSR are both reporting tactics to manage the public image of firms for a successful IPO.

Complementing MMM by increased CSR reporting is reasoned because (1) CSR is socially desirable and does not cause a strong dilemma between stakeholder interests (Luo and Bhattacharya 2006), (2) reporting CSR does not require immediate real actions (3) it is costly to falsify CSR information from the outside perspective of stakeholders, and (4) it is suitable to distract from myopic practices by reversely emphasizing sustainability. According to Kang, Germann, and Grewal (2016) firms engaging in socially irresponsible behavior as MMM are prone to emphasize CSR activities to offset its negative consequences, trying to distract from its irresponsible behavior and even creating an "insurance" for future controversies. The public attention during the IPO provides a stage for this. We thus hypothesize:

Hypothesis 1. The use of pre-IPO MMM is positively associated with the extent of CSR reporting in the IPO disclosures of a firm.

Moderating Influence of Beneficial Shareholders

As CSR incorporates behavior that is intentionally aligned with stakeholder norms (Maignan and Ferrell 2004), the presence of focal stakeholders is likely influential on this relationship. Pre-IPO shareholders exert increased pressure

on a firm to fulfill their expectations (Roychowdhury 2006), and as firms want to avoid being sued for acting against shareholders' interests (Kang, Germann, and Grewal 2016; Madhogarhia, Sutton, and Kohers 2009), firms are highly interested in keeping shareholders satisfied. CSR, as it is positively associated with firm performance (Kang, Germann, and Grewal 2016), is suitable to please investors in addition to the increased profitability obtained by MMM. Thus, it becomes more attractive for firms to combine MMM with CSR reporting in the presence of meaningful pre-IPO shareholders:

Hypothesis 2. The relationship between pre-IPO MMM and CSR reporting in the IPO disclosures is positively moderated by the proportion of equity held by beneficial stockholders during the IPO.

Moderating Influence of Key Customers

Key customers account for a considerable proportion of revenue and therefore function as safeguards against uncertainty. They also reflect an elevated level of customer equity, mitigating the negative effects of MMM (Saboo, Chakravarty, and Grewal 2016; Shugan 2005; Aaker 1991). As key customers already made the decision to use the firm's offerings on a large scale, CSR reporting becomes less important. We thus argue that complementing MMM with CSR becomes less attractive for firms with key customers, formally:

Hypothesis 3. The relationship between pre-IPO MMM and CSR reporting in the IPO disclosures is negatively moderated by the presence of key customers during the IPO.

Methodology

Sample Generation

Building on a list of firms going public in the United States between 2006-2013, we add extensive information from the Compustat North America and exclude all observations for firms that are not suited for our analysis due to well-established relevance criteria in IPO research (cf. Loughran and Ritter 2004; Lowry and Murphy 2007; Luo 2008; Saboo, Chakravarty, and Grewal 2016). For example, we exclude firms operating in highly regulated or extremely specific industries, very small firms and spinoffs of public parents, and require firms to provide enough data to conduct our forecasts.

Our sample involves 197 manufacturing and service firms going public between 2006-2013, yielding data for the IPO period and two preceding ones, which are 591 firm-year-observations in an unbalanced panel. Moreover, we collect the IPO prospectuses (SEC Form 424A) of these firms from

the EDGAR Database of the United States Securities and Exchange Commission, extracting relevant information by computer-aided text analysis (CATA) and manual collection.

Dependent Variable: Corporate Social Responsibility Reporting

According to the Whorf-Sapir hypothesis, the use of words reflects the locus of attention, and the frequency with that words are employed indicates the level of attention (Abrahamson and Hambrick 1997; Sapir 1944; Whorf 1956). Thus, it is possible to interpret text segments as expression of an underlying construct, which is the main idea of CATA (McKenny, Short, and Payne 2012).

As outlined by Short, Broberg, and Brigham (2010), a latent construct can indeed effectively be validated by assessing the words employed in relevant disclosures, which Carpenter and Jones (2015) accomplished for CSR specifically by reference to the IPO prospectus. The authors validated a content analytic dictionary representing four main dimensions of CSR which altogether indicate the intensity of CSR according to the prospectus, reflected in the word count measure "CSR words."

In our study, we build on the authors' dictionary, but do not insist to interpret the resulting word count as expression of a firm's truly underlying CSR characteristics. We instead apply a more cautious approach and simply interpret the number of CSR words as indicator for the intensity of CSR reporting, which it essentially is.

Independent Variable: Myopic Marketing Management

Firms are classified as myopic in a period when it shows higher-than-expected profitability along with lower-than-expected marketing expenses (Mizik 2010; Mizik and Jacobson 2007; Saboo, Chakravarty, and Grewal 2016). To ensure that cost cuts can clearly be classified as myopic, we require firms to show negative derivations from the normal level for each their marketing as well as their R&D position as both are equally indicative of market-directed activities.

ROA, our indicator for profitability, is defined as the ratio of net income to total assets. Marketing intensity and R&D intensity, collectively indicating overall marketing expenses, are measured as the respective ratio of marketing spending and R&D spending to total assets.

Building on Mizik (2010), we define $ROA_{i,t}$, $MKT_{i,t}$ and $RND_{i,t}$ as ROA, marketing intensity and R&D intensity of firm i in period t , and $\widehat{ROA}_{i,t|i,t-1}$, $\widehat{MKT}_{i,t|i,t-1}$ and $\widehat{RND}_{i,t|i,t-1}$ as the values that would be expected based on our forecast, in other words, the expected normal levels in the absence of MM. Firms are considered potentially myopic if they exhibit

the pattern of $(ROA_{i,t} - \widehat{ROA}_{i,t|i,t-1}) > 0$, $(MKT_{i,t} - \widehat{MKT}_{i,t|i,t-1}) < 0$ and $(R\&D_{i,t} - \widehat{R\&D}_{i,t|i,t-1}) < 0$, thus a positive earnings surprise along with negative marketing and R&D surprises.

Further following Mizik (2010) and Saboo, Chakravarty, and Grewal (2016), we employ fixed-effects autoregressive models to forecast each $\widehat{ROA}_{i,t|i,t-1}$, $\widehat{MKT}_{i,t|i,t-1}$, and $\widehat{R\&D}_{i,t|i,t-1}$. The underlying panel data models are employed to generate the expected values for the IPO period based on two previous ones.

We use the following forecast approaches which accounts for time- and firm-specific effects (Anderson and Hsiao 1982; Bendig et al. 2017; Kurt and Hulland 2013; Mizik 2010; Saboo, Chakravarty, and Grewal 2016):

$$ROA_{i,t} = \alpha_{ROA,i} + \phi_{ROA} \times ROA_{i,t-1} + \sum_{\tau=1}^T \delta_{ROA,\tau} \times Time(\tau) + \varepsilon_{ROA,i,t} \quad (1)$$

$$MKT_{i,t} = \alpha_{MKT,i} + \phi_{MKT} \times MKT_{i,t-1} + \sum_{\tau=1}^T \delta_{MKT,\tau} \times Time(\tau) + \varepsilon_{MKT,i,t} \quad (2)$$

$$RD_{i,t} = \alpha_{R\&D,i} + \phi_{R\&D} \times R\&D_{i,t-1} + \sum_{\tau=1}^T \delta_{R\&D,\tau} \times Time(\tau) + \varepsilon_{R\&D,i,t} \quad (3)$$

where $\alpha_{ROA,i}$, $\alpha_{MKT,i}$ and $\alpha_{R\&D,i}$ are firm-specific intercepts, $RandD_{i,i}$; $\phi_{ROA,i}$, $\phi_{MKT,i}$ and $\phi_{R\&D,i}$ are persistence estimates; $ROA_{i,t-1}$, $MKT_{i,t-1}$ and $R\&D_{i,t-1}$ are the respective lagged values of $ROA_{i,t}$, $MKT_{i,t}$ and $R\&D_{i,t}$; $\delta_{ROA,\tau}$, $\delta_{MKT,\tau}$ and $\delta_{R\&D,\tau}$ are time-fixed effects; $Time(\tau)$ constitutes a set of dummy variables indicating the year; and the error terms $\varepsilon_{ROA,i,t}$, $\varepsilon_{MKT,i,t}$ and $\varepsilon_{R\&D,i,t}$ reflect the derivation of actual from expected values for firm i in year t . Hausman tests confirm that our fixed-effect approaches are to be preferred over random-effect approaches in all three cases (Hausman 1978). We also account for potential biases associated with the small number of years available for our forecast model (Arellano and Bond 1991; Greene 2007; Hansen 1982; Saboo, Chakravarty, and Grewal 2016).

Moderating Variables

Beneficial stockholders' share. The overall share held by beneficial stockholders before the IPO according to the prospectus, henceforth referred to as "beneficial share," is used to measure shareholder presence, also indicating the influence these stockholders can potentially exert.

Key customers. We create a dichotomous variable taking on the value one if there is at least one customer accounting for 10% of a firm's revenue as reported in the IPO prospectus.

Control Variables

Controls. We control for firms' total asset position as indicator for firm size, and its SG&A expenses and marketing

intensity as indicators for cost structure. To account for distinct levels of profitability, we include ROA and net income (Schultz 1993). Firm age is added to control for diverse levels of CSR at specific points of firms' lifecycle, as well as the IPO year and industry, as common in IPO research (Kurt and Hulland 2013).

Endogeneity test. We employ a treatment effects model correction as proposed by (Heckman 1978), involving a probit regression involving exogenous factors reasonably associated with the decision to engage in MMM. We therefore consider firm-level, industry-level and IPO-specific factors and, based on the probit estimates, compute the inverse Mills-ratio (IMR) to be included into all hypothesis tests as a correction term (Hamilton and Nickerson 2003).

Variables for Validation

To further substantiate our findings, we replicate our model with two alternate text-based measures, namely long-term orientation (LTO) and market-orientation (MO). While long-term orientation directly draws on a firm's forward-looking alignment and demonstrates reflection and forethought as CSR itself (Ganesan 1994; Laverty 1996), MO rather refers to market-relevant information processing and is thus less concordant with CSR (Zachary et al. 2011; Narver and Slater 1990). LTO and MO are measured with the well-established dictionaries developed by Brigham et al. (2013) and Zachary et al. (2011), respectively.

Method of Analysis

We test each hypothesis with a multiple linear regression analysis using Stata Version 14, employing standardized independent variables to reduce multicollinearity and ease the coefficient comparisons (Aiken, West, and Reno 1991).

Results

According to our analysis, 46% of firms are classified as myopic in the year of their IPO. Table 1 reports statistics for our focal variables.

Hypothesis 1 proposed that MMM is positively associated with CSR reporting, which is indeed the case ($\beta = 0.26$, $p < 0.05$). Compared to a model involving only controls, adding MMM results in a change of R^2 of 0.02.

Hypothesis 2, suggesting a positively moderating influence of shareholder presence, is also accepted ($\beta = 0.10$, $p < 0.01$, R^2 change = 0.03).

Hypothesis 3 assumed a negatively moderating influence of key customer presence and is accepted as well ($\beta = -0.29$, $p < 0.01$) with an R^2 change of 0.03.

Replacing the dependent variable (DV) CSR reporting in the model of hypothesis 1 by MO shows that the influence of MMM is far from significance in this case ($\beta = 0.16, p = 0.20$). However, MMM proves significant when using LTO as DV ($\beta = 0.35, p < 0.01$).

The correction term controlling for potential endogeneity of MMM is far from significance in all models, indicating that our assumption of MM being exogenous is appropriate.

Discussion

The fact that managers accept long-term financial disadvantages to fulfill shareholder expectations at the IPO raised our research questions, asking if firms engaging in MMM also employ other tactics to satisfy stakeholders, and whether this relationship depends on characteristics of these stakeholders. Both is apparently the case, as our models provide evidence for a positive main effect of MMM on CSR, while, aligned with our hypotheses, the presence of pre-IPO shareholders strengthens, and the presence of key customers weakens this effect.

Moreover, on the one hand, not only CSR, but also the related construct of LTO is dominantly reflected in the words used in the IPO prospectus of myopic, compared to non-myopic, firms. On the other hand, using the completely different construct of MO does not lead towards a significance of MMM as IV. This robustness of our findings towards alternative specifications of the DV further supports our findings.

Although our proportion of 46% myopic firms is higher than in previous studies, further analyses reveal that on the one hand, the use of MM has been increasing over time, and on the other hand, our sample contains more current years than previous studies. Thus, as the increased proportion in our sample comes from a trend in time we control for, it is not indicative of any bias in our model.

Theoretical Implications

Our study closes several research gaps by contributing to the scarce literature on MM. First, we confirm that MMM is not an isolated tactic, but rather part of a multi-level aspiration to meet stakeholder expectations. Assessing CSR reporting, we are among the first to generate knowledge about non-financial contingencies of MMM. In this light, MMM seems neither to be a mere accounting, nor marketing, nor financial topic, but rather the expression of a broad managerial orientation of fulfilling stakeholder expectations even at the costs of deceiving them.

Second, we combine agency and stakeholder theory, demonstrating that managers use information advantages not only through myopic actions, but also by actively distracting stakeholders from identifying these actions.

Third, we introduce CATA in the context of MMM, answering various calls to understand MMM more holistically and to assess qualitative information in business disclosures.

Fourth, we provide arguments that the use of MMM is not truly myopic in the sense that managers fail to anticipate its consequences. According to Kang, Germann, and Grewal (2016), firms engage in CSR to offset socially irresponsible behavior as MMM. Thus, one interpretation of our results is that firms performing MMM simultaneously report elevated levels of CSR to prepare for the negative future consequences they anticipate.

Managerial Implications

Our findings provide reasons for ethical concerns as IPO firms are shown to systematically mislead investors through financial and verbal manipulation. The misuse of CSR reporting is especially questionable as its original purpose is to accurately inform stakeholders about a firm's "operational, social, and environmental activities and its ability to deal with related risks" (Ballou et al. 2006, p. 66).

To prevent MM, our findings suggest drawing on the root of the problem by increasing transparency for stakeholders. Thus, further tactics obscuring myopic management should be identified to allow for a better monitoring.

Moreover, analysts are recommended to devote attention to qualitative information in IPO disclosures (cf. Balakrishnan and Bartov 2011), and question if the extent of CSR reporting is appropriate or might rather be an attempt to disguise myopic behavior.

Limitations and Avenues for Further Research

Our study is subject to various potential limitations, illustrating the need to conduct further research in the fields of MM. Though our measure of MMM is commonly acknowledged, the relatively small number of time periods available for our forecasts, in spite of all countermeasures, implies that biased estimates cannot be completely excluded (Saboo, Chakravarty, and Grewal 2016). Future studies could identify sources of pre-IPO financials providing more periods.

Despite controlling for several influences on CSR reporting, the organizational process of formulating CSR words

in the IPO prospectus is too complex for its outcome to be sufficiently predicted by a statistical model. Thus, there likely are further factors influencing CSR reporting for future studies to consider. As our study does not differentiate between different dimensions of CSR, involving this distinction will be useful.

Finally, we pave the way to investigate further contingencies to identify myopic firms at an early stage before investors

are misled towards unhealthy firms. Another promising research avenue is to examine if CSR reporting in the context of MMM actually fulfills its purpose of satisfying stakeholders and mitigating the downsides of myopia.

Motivated by the insights we generated by combining an accounting phenomenon with a sustainability measure in the marketing context, researchers should be encouraged to apply an interdisciplinary perspective more often.

Table 1. Influence on Corporate Social Responsibility Reporting

	Model 0 Controls Only	Model 1 Hypothesis 1: Main Effect	Model 2 Hypothesis 2: Moderation Pre-IPO Shareholders	Model 3 Hypothesis 3: Moderation Key Customers
Firm assets	.34 (1.38)	.39 (1.61)	.39 (1.63)	.40 [†] (1.7)
SG&A	.32 (1.28)	.29 (1.17)	.29 (1.23)	.28 (1.17)
Marketing intensity	.06 (0.36)	.07 (0.46)	.10 (0.58)	.05 (0.31)
ROA	-.17* (-2.11)	-.18* (-2.27)	-.15 [†] (-1.75)	-.19* (-2.56)
Net income	.06 (0.76)	.05 (0.80)	.04 (0.6)	.07 (1.04)
Firm age	.05 (0.61)	.02 (0.27)	.03 (0.44)	.02 (0.25)
Myopic management	–	.26* (2.13)	.28 (0.24)	.23 [†] (1.72)
Myopic management × pre-IPO shareholders	–		.10** (4.11)	
Myopic management × key customers	–			-.29 [†] (-1.65)
Constant	.56** (-5.18)	.43** (-5.41)	.39** (-4.91)	.50** (-5.56)
Correction term (IMR)	-.08 (-0.98)	-.01 (-0.08)	-.02 (-0.19)	-.02 (-0.21)
R ²	0.53	0.55	0.56	0.56

Note. $n = 197$. β -coefficients are standardized. Parentheses in the lower rows contain t -statistics.

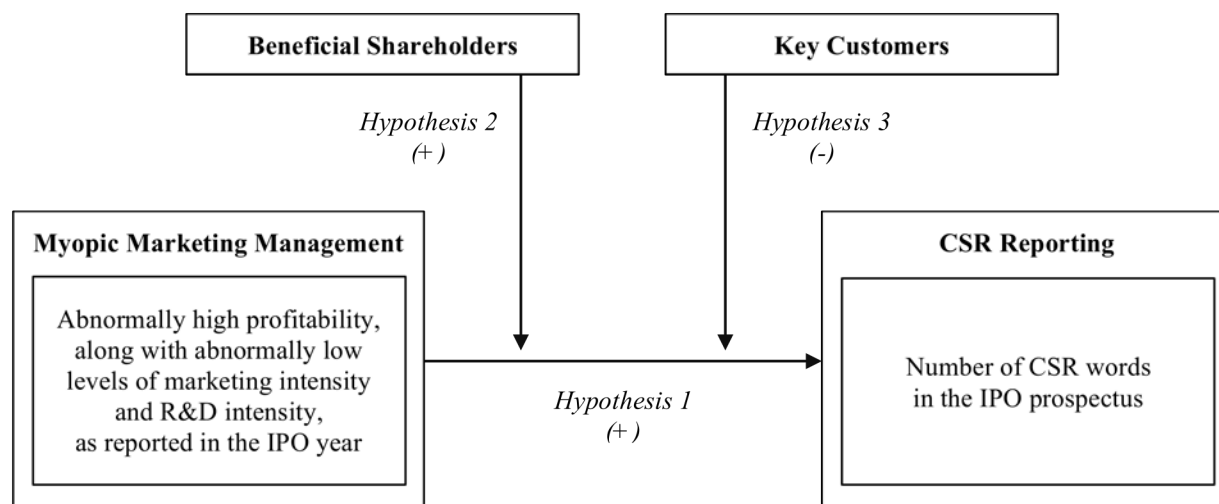
IPO year and industry not reported for brevity.

[†] $p < .10$

* $p < .05$

** $p < .01$

Figure 1. Research Model



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Marketing Intensity and Profitability: Contrasting Conclusions Based on Different Measures of Total Marketing Expenditure

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Keywords: *marketing expenditure, marketing intensity, firm performance, firm profitability*

EXTENDED ABSTRACT

Research Questions

1. Voluminous research documents marketing's ability to produce results. However, there is limited direct evidence relating firm marketing expenditure to profitability, or marketing efficiency. The challenge arises from poor data availability on marketing decisions in firms and questionable surrogates commonly used in place of marketing expenditure. Therefore, the primary question we address is: how does total marketing expenditure impact firm accounting performance?
2. We next compare the conclusions when actual marketing expenditure is evaluated against results based Selling, General and Administrative (SG&A) expenditure, which is a common proxy for total marketing expenditure.
3. Finally, we propose an alternate, less noisy, approximation to total marketing expenditure than SG&A and investigate the focal relationship among our sampled firms, which do not disclose their marketing costs.

Method and Data

We use regression analysis to model secondary data obtained from Compustat and firm financial statements.

Key Contributions

We make three contributions to the literature. First, we use data on total sales and marketing expenditure in a represen-

tative sample of firms to generate direct evidence that marketing intensity has a positive impact on firm profitability. Our second contribution consists in comparing and contrasting this result with findings derived by using SG&A as a proxy measure for total marketing expenditure in a common model of firm performance. We show that using SG&A may lead to different inferences about the impact of marketing activity on firm performance and discuss the likely reasons for the observed effect. Third, since most firms do not report their total marketing costs, and the SG&A-based proxy may be problematic in some contexts, we demonstrate one way of constructing a less noisy estimate of total marketing expenditure that, with appropriate adaptation, may help generate improved estimates of marketing expenditure in other samples of interest. We use the alternative measure of marketing expenditure in our models of firm performance, while accounting for possible selectivity associated with firms' choice of marketing expenditure disclosure, to generate further confirmatory evidence concerning the positive impact of marketing intensity on current and future profitability among firms that do not disclose marketing costs (and for whom marketing's impact on firm performance is difficult to evaluate directly).

Summary of Findings

We demonstrate that marketing intensity has a positive on short term and long-term accounting profit rates. We con-

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trast these results with findings based on selling, general and administrative expense (SG&A), which is a popular marketing proxy. We show that using SG&A may lead to questionable inferences about the impact of marketing spending on accounting performance. We propose an alternate, less

noisy, approximation to total marketing expenditure and investigate the focal relationship among our sampled firms, which do not disclose their marketing costs.

References are available on request.

Good News, Bad News: Advertising Spending's Differential Impact on the Relationship Between Product Recall Severity and Brand Sales

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Keywords: *product recalls, advertising spending strategies, recall severity, institutional advertising, focal brand, non-focal brand, corporate brand*

Description: *We propose and test a contingent model showing how the interaction between a recalling firm's advertising spending strategies and product recall severity influences brand sales following a focal-brand recall.*

EXTENDED ABSTRACT

Research Question

In which brand category (e.g., focal, non-focal, or institutional brand) should a recalling firm invest its advertising expenditures to best mitigate the negative effect of a product recall?

Method and Data

We use and combine real secondary data related to the auto industry from several different sources to test our proposed model and hypotheses, using the SAS software.

Summary of Findings

This research finds that for severe product recalls only (compared with minor ones), increasing the recalling firm's insti-

tutional brand advertising spending can mitigate future sales loss at a focal brand sales level, whereas increasing the recalling firm's non-focal brand advertising spending can actually worsen the negative impact of product recalls on the firm's focal brand sales.

Key Contributions

This paper applies different approaches to focus on advertising spending's differential impact on the relationship between product recall severity (severe vs. minor recalls) and brand sales (focal brand, non-focal brand, and institutional brand sales), thereby making contributions to the literature.

References are available on request.

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The Introduction of Co-Branded Offerings in the USA: Any Effect on Parent Companies' Stock Return?

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Keywords: *co-branding, co-branded product, abnormal return, co-branding integration, co-branding duration*

EXTENDED ABSTRACT

Co-branding has been enjoying great popularity in the marketplace over the past two decades (Luthesser et al., 2003), yet little attention has been paid to the effect of co-branding on company's financial performance. The extant branding literature suggests that effective use of the co-branding strategy could help firms leverage brand value and brand equity (Aaker, 1991; Aaker, 1996; Washburn et al., 2002). By analyzing the stock price before and after co-branding news announcement events among firms in the U.S., this study explores whether the introduction of co-branded products could positively impact the stock value of a company's stock value who is involved in co-branding activities. Furthermore, empirical findings suggest that higher co-branding integration and longer co-branding duration can generate higher abnormal return. Both managerial and policy implications are presented for marketing practitioners' consideration.

Research Question

The present study attempts to address the following questions:

1. Does co-branding announcement generate positive short-term abnormal returns among firms in the U.S. stock market?
2. Are there any co-branding event level determinants (co-branding integration/co-branding exclusivity/co-branding duration) could affect abnormal returns?

Method and Data

The sample of the study consists of 33 co-branding events announced in the U.S. in the past decade. Specifically, 54 firms in four industries are selected from Bloomberg as the focal firms from 2004 to 2017. In addition, following the suggestion from Johnston (2007), daily stock prices during

the [-10, +10] announcement date event window of the focal firms are collected based on the co-branding event introduction date. Firm size, industry and co-branding experience are included as control variables.

To estimate a firm's normal stock returns, a market model is employed in Equation (1).

$$(1) \quad R_{it} = \alpha_i + \beta_i * R_{mt} + \varepsilon_{it}$$

In addition, the cumulative abnormal returns (CARs) are calculated in equation (2).

$$(2) \quad CAR_i = \sum_{t=t_1}^{t=t_2} AR_{it}$$

Finally, the regression equation of estimated cumulative abnormal returns (CAR)_{it} can be represented as:

Cumulative abnormal returns

$$(CAR)_{it} = \alpha + \beta_1 \text{Ingredient branding}$$

$$+ \beta_2 \text{Co-branding integration}$$

$$+ \beta_3 \text{Co-branding exclusivity}$$

$$+ \beta_4 \text{Co-branding duration}$$

$$+ \beta_5 \text{Co-branding experience}$$

$$+ \beta_6 \text{Industry}$$

$$+ \beta_7 \text{Firm size}$$

$$+ \varepsilon_{it}$$

References are available on request.

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Investigating the Factors Leading to Brand Deletion Decision: A Resource Perspective

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Keywords: *brand deletion, brand management, brand-level factors, managerial-level factors, resource limitation*

Description: *Current study examines the role of brand level factors (brand contribution and brand fit) as well as managerial level factors (managerial commitment and managerial attitude towards deletion) in determining the brand deletion decision.*

EXTENDED ABSTRACT

Research Question

Organizations tend to adopt multi-brand strategies (i.e. house of brands) to serve different market segments while neglecting the hidden costs (i.e. diseconomies of scale and inefficiencies in resource allocation) of this strategy which result in reduced value of the firm's brands (Morrin, 1999). Firms can improve their brand portfolio's performance by deleting not just loss-making brands but also by pruning the declining, weak, and marginally profitable brands from their portfolios (Kumar, 2003). It is a difficult strategic decision for a company— more specifically for senior brand managers—to know why, when, and how to delete a brand (Varadarajan et al., 2006). Brand deletion has been discussed to be the most sensitive brand portfolio decision faced by managers (Aaker, 2004), which involves several risks such as the negative influence of brand deletion on the company's corporate image, consumer backlash, investor/stakeholder negative response, and putting managers' careers in danger. In this study, the authors apply the Resource Based Theory (RBT) (Barney, 1991) and literature from Strategic Decision Making (Eisenhardt and Zbaracki, 1992; Schwenk, 1995) to answer two questions: What brand level and managerial level factors influence brand deletion decisions in organizations? What potential boundary condition can influence the brand deletion decisions?

Method and Data

A self-administered online survey was used to collect data for this study. The sample respondents were brand profes-

sionals who were responsible for the brand management decisions in their organization. In order to ensure the qualification of the respondents, two screening questions were embedded in the questionnaire; (1) managers' level of responsibility for managing brand(s) in their organization, and (2) their level of experience as a brand/marketing manager. In order to collect data from brand professionals for the pretest, convenience sampling method was used. The respondents were identified and contacted through a professional networking website (Cui et al., 2014). A total of twenty-four responses were obtained. All the measures provided evidence of sufficient reliability and validity, following which the final data collection was initiated. Surveys were sent out to brand managers/senior marketing officials after solicitation and they were asked to respond to the survey. In total, 218 responses were used for the final data analysis. Partial Least Squares Structural Equation Modeling (PLS-SEM) method is used as the analysis method to test the structural model.

Summary of Findings

The association between brand contribution and brand deletion strategy was not significant (95% CI, one-tailed). Therefore, H1 was not supported. However, as expected, brand fit ($\beta = -0.437$; $p < 0.01$), managerial commitment ($\beta = -0.141$; $p < 0.01$), and managerial attitude towards brand deletion ($\beta = 0.117$; $p = 0.02$) were associated with brand deletion decision. Thus, we found support for H2, H3, and H4. Next,

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we tested for the moderating effect of resource limitation. Resource limitation moderates the relationship between brand contribution ($\beta = 0.252$; $p < 0.01$), managerial commitment ($\beta = 0.093$; $p < 0.04$) and managerial attitude towards deletion ($\beta = 0.166$; $p < 0.01$), and brand deletion decision, supporting H5a, H5c, and H5d. However, resource limitation did not moderate the relationship between brand fit and brand deletion decision, thus H5b was not supported.

Key Contributions

The primary contribution of this study is that it provides insights into an overlooked area of strategic brand management- brand deletion decision-making. Findings also emphasize the importance of brand fit in brand portfolio assessment, and specifically in the context of brand deletion decisions. Also, resource limitation's moderating role facilitates taking the optimal brand deletion decision route for situations where the brand contribution, managerial commit-

ment, and managerial attitude towards deletion might hinder this decision. In other words, resource limitation helps overcome the inhibitions that an organization might have about pruning a poor performing brand.

From a managerial point of view, findings show that while the decision for removing a brand is generally supposed to be taken solely based on the brand performance, there are other brand level and managerial factors that make this process complex. From a brand level perspective, even if a poor performing brand is contributing to the portfolio, organizations are hesitant to remove it. Only when there is a shortage of resources, would the organization decide to remove the brand. While this strategy is discussed in extant literature (BCG Matrix), resources that could be used elsewhere, may be stuck in this situation.

References are available on request.

Market-Based Capabilities of New Ventures and Fundraising Performance

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Keywords: *marketing-finance interface, new ventures, market-based capabilities, growth-stage fundraising, data envelopment analysis*

Description: *This study focuses on the early-stage of new ventures' lifecycle and examines the impact of two market-based capabilities, called intellectual and relational capability, on fundraising performance of new ventures from private investors.*

EXTENDED ABSTRACT

Research Questions

The value relevance of marketing efforts, in public (e.g., Mizik and Jacobson 2007), or firms at their IPO stage (e.g., Saboo *et al.* 2016), is the central question in the marketing-finance. However, for new ventures, the process of fundraising begins in the early-stage of their business life-cycle. At the early-stage, new ventures are not equipped with conventional marketing capabilities such as branding capability or customer satisfaction capability. Therefore the impacts of marketing evolve from other distinct capabilities. The goal of this study is to focus on early-stage of business life-cycle and identify marketing capabilities that lead to new ventures' higher fundraising performance from the private market. Indeed, this study addresses the following questions: (1) What kind of marketing capabilities affect the outcomes of new ventures' fundraising performances? (2) What types of investors strengthen the impact of marketing capabilities on fundraising performances of new ventures?

We propose that new ventures that possess Intellectual Capability (IC) and Relational Capability (RC) at their early-stage can benefit from higher fundraising performance during their growth-stage. IC is defined as the degree that a new venture exploits marketing knowledge, experience, or skills within the venture to achieve its marketing objectives (Ucbasaran *et al.* 2008). RC also refers to the degree that the new venture leverages its business connections with external organizations or individuals to acquire financial capital (Ma *et al.* 2009). In addition, three characteristics of early-stage investors—reputation, strategic similarity, and status—are

posited to complement the positive impacts of IC and RC on the fundraising performances of new ventures.

Method and Data

We collected data for 430 new ventures from multiple secondary sources including: CrunchBase, ReferenceUS, the U.S. Census Bureau (USCB) database, and the U.S. Patent and Trademark Office (USPTO). The CrunchBase database is part of the TechCrunch foundation, which tracks and profiles new ventures around the globe. We used the amount of money new ventures raised at their growth-stage as a measure for calculating the ventures' performance. We also measured IC and RC of new ventures by applying the data envelopment analysis technique. We estimated coefficients by running three separate sets of OLS regressions: control model, main effect model, and interaction model. We applied log-log form to eliminate any skewness in distributions of our variables in the models. Further, to avoid any multicollinearity problem, we followed the literature by centering variables by their mean (Echambadi and Hess 2007; Rouzies *et al.* 2009). Finally, the Ordinary Least Squared (OLS) method was applied to estimate coefficients of the model. Detailed analysis of OLS assumptions indicates that models do not violate OLS's conditions to calculate unbiased and efficient estimates.

Summary of Findings

We find that new ventures with higher levels of IC and RC can more effectively raise required financial capital from investors in the private market. In addition, the current study

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provides empirical evidence that three characteristics of early-stage investors –reputation, status, and strategic similarity– matter when new ventures are ready to commercialize their products or services. Indeed, receiving funds from investors with a high level of reputation at the early-stage increases their chance of raising more money at their growth-stage. Similar effects are shown for high status early-stage investors. In addition, investors that are similar to new ventures in terms of their industry, background, and area of expertise increase the chance of new ventures to successfully raise money at their growth-stage.

Diving deeper, our findings advance empirical research on the resource complementarity noted in the Market-Based Assets theory (Srivastava et al, 1998; Harrison et al. 2001). We find a significant interaction between new ventures' IC and RC and their investors' reputation. That is, our results show that new ventures benefit more from their intellectual and relational capabilities when their early-stage investors possess a higher level of reputation.

Key Contributions

First, it is among the first to address the importance of the marketing capabilities of new ventures at their early-stage. The marketing literature has typically focused on the possible

effects of the marketing activities of firms at the IPO or after the IPO (e.g. Luo 2008; Bahadir *et al.* 2015). The present study reveals the value of marketing capabilities during their early-stage; when new ventures do not possess conventional marketing resources such as well-known brands or sales channels. Second, this study highlights the key role of two market-based capabilities as drivers of fundraising activities. We use Market-Base Assets theory and argue that access to marketing related resources is not sufficient to help new ventures raise external financial capital. Instead, our model shows that new ventures must be equipped with IC and RC to be able to extract value from their available marketing resources.

In addition to the theoretical contributions, our study also makes a key managerial contribution. Founders of new ventures typically believe that exclusively focusing on R&D and innovation development operations can differentiate them from competitors during their fundraising stages (e.g., Song *et al.* 2008). Our findings, however, provide a unique insight for founders of new ventures by showing that founders must enhance their intellectual and relational capabilities to generate superior fundraising performances at their growth-stage.

References are available on request.

Pricing

Product and Consumer Characteristics Impacting Pricing

- Multichannel Pricing: The Effects of Price Differentiation Across Channels on Price Fairness and Customer Confusion PR-2
Laura Bertrandie, Stephan Zielke
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Multichannel Pricing: The Effects of Price Differentiation Across Channels on Price Fairness and Customer Confusion

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Keywords: *price differentiation, channel integration, price fairness, customer confusion*

Description: *This paper analyses the impact of multichannel price differentiation through distinct price differentiation instruments on price fairness and customer confusion.*

EXTENDED ABSTRACT

Research Question

The implementation of additional channels brings novel challenges for retailers such as the coordination of marketing variables across channels. In this context, multichannel retailers must decide whether to differentiate or integrate prices across their channels. Considerations of how to stay competitive in both the offline and online channel influence this decision (Unterhuber, 2015). However, retailers must also recognize the potential harmful effects of differentiation on perceived price fairness and confusion of customers. The objective of this study is to investigate the impact of different multichannel pricing instruments on consumer perceptions and the resulting consequences. We include product price differentiation between channels, online promotion and online shipping fees as pricing instruments. Specifically, our study seeks to answer the following questions: How do customers perceive distinct differentiation instruments in terms of price fairness and customer confusion? How are customer confusion and price unfairness related and how do they ultimately influence behavior?

Method and Data

We use a scenario-based online experiment with a 2 (product price variation: cheaper online vs. uniform) \times 2 (promotion: present online vs. absent) \times 2 (shipping fees: present online vs. absent) between subjects design. The respondents are assigned randomly to one of eight treatments. They are introduced to a fictional multichannel furniture retailer and presented with a selection of 8 cupboards in the retailer's

offline channel first and in the online channel subsequently, including the respective manipulation of the treatment. Respondents are then asked to choose the preferred product and the channel they would purchase it in. We used items from existing scales to measure constructs (e.g., Cooper-Martin, 1994; Bolton, Keh, and Alba, 2010). A random sample was drawn in a major European country, yielding 319 questionnaires. There were 206 female and 113 male respondents, and the average age was 28. The scenarios are comparable in terms of the gender and age distribution of the respondents. For each scenario, we generated between 36 and 45 completed questionnaires.

Summary of Findings

The results indicate that price integration has an impact on price fairness evaluations and customer confusion. First, product price differentiation and online promotion are perceived as more unfair than uniform pricing. Additionally, we find that price fairness perceptions of shipping fees depend on product price differentiation between channels. The results show that consumers prefer no shipping fees when product prices are uniform and accept shipping fees in the online channel when product prices are lower online. This could be due to consumer's perception that firms should consistently pass on cost advantages and disadvantages of channels. Second, we find that product price differentiation and online promotions lead to more confusion. The reason for this might be that consumers compare prices rather at a product level than at an aggregated level. Hence confusion

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from price differentiation likely occurs at the time of product comparison. Third, we also find a mediation effect of overload on price fairness, and mediations of overload and price fairness on negative consumer reactions. Concluding, multichannel retailers can be confronted with consumers' irritation when varying their product prices across channels, which can lead to unfavorable consumer behavior.

Key Contributions

Our study extends prior multichannel research in different ways. First, this study contributes to the literature by investigating the differential effects, or combination thereof, of three distinct price differentiation instruments. These were investi-

gated separately in the past (e.g., Fassnacht and Unterhuber 2016; Lewis, 2006), or did not include shipping fees when investigated conjointly (e.g., Vogel and Paul, 2015). Second, the study extends multichannel pricing research by including customer confusion. Confusion has only been researched for singular channels, usually focusing on assortment instead of pricing (Walsh and Mitchell, 2010). This study considers multiple channels and puts confusion into context with pricing issues. Lastly, we gain insight on the relationship between customer confusion that results from multichannel pricing strategies and price fairness perceptions.

References are available on request.

Early-Bird or Customer Option: Which Do You Prefer?

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EXTENDED ABSTRACT

People face various situations that they have to decide whether to buy or not, before uncertainty is resolved. Under the uncertain conditions, it is most crucial part for consumers that they should consider the expected valuation derived from purchasing tickets or services. Thus, it is important to contemplate buyer uncertainty about future valuation.

Xie and Shugan presented the relationship between spot price and advance price in a situation that involves uncertainty. Their findings provide the explicit advance pricing strategies that can create profit improvements (Xie and Shugan, 2001). Their findings lay a foundation of this problem, because buyers are almost always not sure about their future valuations for most services (Xie and Shugan, 2001). In addition to these findings, the researchers found that profits under option pricing strategy outperform those from advance pricing strategy (Preethika Sainam, 2010). They introduce the concept of consumer options and analytically prove that consumer options can make more profits (Preethika Sainam, 2010).

In this paper, we want to consider this problem under more complex and real circumstances. We include one more pricing strategy, discounted advance pricing, which is often called early bird pricing. Furthermore, we divide consumers in two types, risk-neutral consumers and risk-averse consumers. We present a simple analytical model in what conditions each pricing strategies can outperforms others based on consumer types and capacity types.

Model

Consumer Decision Process

We assume two-period consumer decision process, where period 1 is advance and period 2 is spot period. In period

1, consumers can decide whether to buy as advance price or wait. In period 2, buyers, who didn't purchase at period 1, can consume as normal price. Thus, purchase can occur in either period, but buyers are uncertain about their consumption satisfaction only in period 1, which means that buying in advance might not value in the future. Therefore, there must be an advantageous for consumers to purchase in advance, such as discounted advance price or option price policies. Consumers need to expect their future valuation for the consumption with respect to these price policies, based on expected utility theory. In this paper, we will show the basic unlimited capacity model first, and then extend the same logic to the case when capacity is not sufficient.

Consumer Types

In this paper, we suppose there are 2 types of consumers, one is regret-averse consumer and the other is regret-neutral consumer. The crucial difference between these two consumers is that they have distinct utilities when facing the unfavorable circumstance in period 2. First, regret-averse consumers have negative utility when he/she cannot participate in the favorable event, because of not purchasing. On the other hand, regret-neutral consumers have zero utility in the same situation above. Thus, regret-averse consumers feel more regret when he/she cannot participate in the favorable event, because of the decision not purchasing. Therefore, quantifying the concept of the regret can divide the consumer types.

Analysis

We analyze the model under both unlimited capacity and limited capacity. And thus the assumptions are slightly different between two cases.

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Unlimited Capacity

Under unlimited capacity, we assume that the number of regret-averse consumers and regret-neutral consumers are same as N , respectively. The probability of favorable state occurred is q and q is distributed uniformly in a range of $(0,1)$. We refer to $T = 1$ as period 1 and $T = 2$ as period 2, respectively. The ticket issue cost is zero. And finally, consumers will make the purchase decision based on their expected surplus.

First, we analyze the consumer purchasing expected valuation only with discounted advance price. Since discounted advance price is less than normal price, consumers now have incentives to advance purchase in period 1. We can get the range of q , which provides more total profits than normal price only. There exists a range that only risk neutral consumers have advantageous to buy in advance, and all consumers have advantageous to buy in advance. In this range, both seller and buyer can get more expected profits and expected surplus, respectively.

In addition to advance price, we consider option price policy in order to see whether there is a range that option price outperforms the discounted advance price. After analyzing the relationship between expected surplus and probability q , there exist a probability range that consumers have incentives to prefer option price to advance price, however it does not make more total profits for sellers.

Limited Capacity

In this section, we implement the same process as above under limited capacity. The main assumptions are same, but

we allow limited capacity to prevent some consumers from purchasing.

Since not all consumers succeed in purchasing under limited capacity, we expect that consumers will be less sensitive to probability of favorable state, which means that the buying range for consumers are wider than the buying range under unlimited capacity.

We can check this result by figure below, and there exist a specific range that both seller and buyer can get more expected profits and expected surplus, respectively.

The same process to find the buying range for customers with option price policy is implemented. Certainly, under the range (2) and (3) in the *figure 6*, option price outperforms the discounted advance price, and under range (1), discounted advance price outperforms the option price.

Results

We investigate consumer decision process under various situations, and present a simple analytical model in order to show the relationship for 2 types of price strategy in a various situations. Certainly there exists ranges that either price policies are favorable than the other. We suggest finding optimal prices to maximize the total profits under the foundation we developed here.

References, tables, and figures are available on request.

How Consumers Process Partitioned Prices: An Integrated Framework

Shuo Wang, Chinese University of Hong Kong

Keywords: *behavioral pricing partitioned price, price fairness, information processing*

Description: *This study described an integrated framework on the underlying psychological mechanisms for processing partitioned prices.*

EXTENDED ABSTRACT

Research Question

Although there is a consensus that consumers react differently to partitioned versus consolidated presentation of the same price, questions remain as to what psychological mechanisms drive the observed price framing effect. One line of work examining the underlying mechanism for processing partitioned prices is based on the contention that people perceive the payment of partitioned prices (consolidated prices) as multiple events (a single event) and that the way they encode and/or edit compound outcomes of those events influences their judgment and choice as set forth by the mental accounting principles. Alternatively, it is suggested that the presence of multiple tags in a partitioned price tends to encourage selective attention to and differential processing of the secondary price component (SPC) or its associated benefits. Consequently, price partitioning can affect consumers judgment and either increase or decrease demand relative to price consolidating. Due to this perspective difference, complementary and/or competing explanations of the price partitioning effect on price perception and its downstream behavioral implications coexist in the literature. The purpose of this paper is to provide a synthetic review of the underlying psychological mechanisms and develop an integrated framework that may potentially encompass and explain the varied findings in this area.

Summary of Findings

Building upon previous research on price partitioning, we put forward an integrated framework of partitioned price processing that helps differentiate among various psychological mechanisms responsible for the price framing effect.

We suggest that although seven processing pathways coexist when an individual consumer encounter a partitioned price, he or she will take a particular route to evaluate a partitioned price depending on his or her perceptions on the salience, diagnosticity, importance, processing difficulty and integrativeness of the SPC of a partitioned price (e.g., surcharges). Furthermore, we incorporated several individual difference variables such as need for cognition, regulatory focus and brand affect into our framework and discussed their interactions with the SPC's characteristics in altering a consumer's choice of processing strategies.

Key Contributions

This paper makes several contributions. First, we extended the territory of traditional price partitioning research by critically examining empirical research rooted in the mental accounting principles and by explicitly incorporating this processing mode into our unifying model. Second, we identified five characteristics of the SPC of a partitioned price that can help us sufficiently yet parsimoniously differentiate among the various psychological mechanisms and more accurately predict the exact price partitioning effect. Third, our multiple-process framework can be used to explain and reconcile some of the null or reverse effect of price partitioning in the extant literature. For example, it is possible that, because competing processing routes co-exist, some consumers may take one route and others may take the contending one. Consequently, on aggregate, the resulting effects cancel each other out.

References are available on request.

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External Reference Price and Participative Pricing: The Role of Product Category

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Keywords: *pay-what-you-want, external reference price, product category, hedonic, utilitarian*

Description: *This paper investigates the roles different product categories (hedonic and utilitarian products) play in a participative pricing mechanism (i.e., pay-what-you-want pricing) when external reference price is offered and not offered.*

EXTENDED ABSTRACT

Research Question

The purpose of this paper is to examine how external reference price (ERP) interacts with product category (hedonic vs. utilitarian product) in influencing consumers' perceived value and ultimately pay-what-you-want (PWYW) payment amounts.

Method and Data

Two experiments were conducted to examine the hypotheses. Study 1 utilized a 2 (ERP: presence vs. absence) × 2 (product category: hedonic vs. utilitarian) between-subject design with 152 college student subjects. Study 2 also utilized a 2 (ERP: presence vs. absence) × 2 (product category: hedonic vs. utilitarian) between-subject design with 184 college student subjects.

Summary of Findings

Through two experiments, this paper finds that the effectiveness of using ERP as an anchor depends on the nature of the product category. For a hedonic product, the absence of an ERP, compared to a presence, leads to higher PWYW payments. On the other hand, for a utilitarian product, the presence of an ERP, compared to an absence, is found to be more effective in enhancing consumers' PWYW perceptions and leads to higher PWYW payments.

Key Contributions

One contribution of this paper is that this paper introduces a product characteristic (i.e., product category) to the literature in the PWYW pricing mechanism. This is a significant gap in the PWYW literature as product characteristics have the potential to influence consumers' valuation of the overall PWYW offering and thus their decisions on PWYW payments. This paper fills this gap in the literature by investigating how product category (hedonic vs. utilitarian) affects consumers' perceived value of the product offered and their PWYW payments. Another contribution is that this paper extends Johnson and Cui (2013) by identifying boundary conditions of their findings. Johnson and Cui (2013) found that, when a minimum price, a suggested price, and a maximum price are offered as an ERP, they all decrease the average PWYW payment, compared to the average PWYW payment when no ERP is offered. The findings of this paper suggest that the above ERP effect on PWYW payments holds only for hedonic products. For utilitarian products, offering an ERP induces the opposite effect. That is, when an ERP is offered for a utilitarian product, consumers will choose higher PWYW payments on average, compared to the situation in which no ERP is offered. As such, this paper offers a boundary condition for the findings by Johnson and Cui (2013).

References are available on request.

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Are Low Price Guarantees and Price Match Guarantees Created Equal? Examining the Effects of Different Types of Price Guarantees on Consumers' Evaluations

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Dhruv Grewal, Babson College

Keywords: *LPG, PMG, promotion focused, prevention focused, pricing*

EXTENDED ABSTRACT

Research Question

Retailers offer one of “low price guarantees” (LPGs) or “price match guarantees” (PMGs) to signal their price position in the marketplace. Past literature has assumed that both LPGs and PMGs work similarly as signals of low prices, and consequently, LPGs and PMGs have been used interchangeably in both research and practice. In this paper, we examine the differential effect of LPGs versus PMGs on consumers’ evaluations. Further, we examine if individual differences relating to consumers’ regulatory orientation moderate the above.

Method and Data

We report results of two studies using over 250 undergraduate participants. In Study 1, we examine the differences in pre-purchase intentions for LPGs versus PMGs, contingent on whether consumers are promotion (vs. prevention) focused. In Study 2, we examine a post-purchase scenario wherein consumers discover a lower price elsewhere, and then we specifically examine differences in repurchase intentions for LPGs versus PMGs, again contingent on whether consumers are promotion (vs. prevention) focused.

Key Contributions

This research has implications for theory as well as for retailers. In academic research, this is the first paper demon-

strating that the “Low Price Guarantee” signal has implications which are different from “Price Match Guarantee” signal, especially among those who are promotion focused. Among those who are promotion focused, (i) pre-purchase, using LPGs (vs. PMGs) attracts more consumers, but (ii) to the extent the consumer discovers a lower price elsewhere post-purchase, using LPGs (vs. PMGs) leads to lower repurchase intentions. In contrast, among those who are prevention focused, there are no differences across LPGs (vs. PMGs), both pre-purchase and post-purchase. Thus, the decision to use LPGs versus PMGs is contingent both on the relative proportion of promotion focused consumers and the potential that the consumers discovers a lower price elsewhere post-purchase.

Summary of Findings

In Study 1, we examine the differences in pre-purchase intentions for LPGs versus PMGs, contingent on whether consumers are promotion (vs. prevention) focused. Among those who are promotion focused, using LPGs (vs. PMGs) attracts more consumers. In Study 2, we examine a post-purchase scenario wherein consumers discover a lower price elsewhere, and specifically we examine the differences in repurchase intentions for LPGs versus PMGs, again contingent on whether consumers are pro-

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motion (vs. prevention) focused. In contrast to the results in Study 1, using LPGs (vs. PMGs) leads to lower repurchase intentions. In contrast, among those who are prevention focused, there are no differences across LPGs (vs.

PMGs), both pre-purchase (Study 1) and post-purchase (Study 2).

References are available on request.

The Effect of Price Promotion Patterns on Consumers' Use of an Expected Price as a Reference Price

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Keywords: *reference price, price promotions, frequency of promotions, pattern of promotions*

EXTENDED ABSTRACT

Research Question

Retailers offer one of “Low Price Guarantees” (LPGs) or “Price Match Guarantees” (PMGs) to signal their price position in the marketplace. Past literature has assumed that both LPGs and PMGs work similarly as signals of low prices, and consequently, LPGs and PMGs have been used interchangeably in both research and practice. In this paper, we examine the differential effect of LPGs versus PMGs on consumers' evaluations. Further, we examine if individual differences relating to consumers' regulatory orientation moderate the above.

Method and Data

We report results of two studies using over 250 undergraduate participants. In Study 1, we examine the differences in pre-purchase intentions for LPGs versus PMGs, contingent on whether consumers are promotion (vs. prevention) focused. In Study 2, we examine a post-purchase scenario wherein consumers discover a lower price elsewhere, and then we specifically examine differences in repurchase intentions for LPGs versus PMGs, again contingent on whether consumers are promotion (vs. prevention) focused.

Key Contributions

This research has implications for theory as well as for retailers. In academic research, this is the first paper demonstrating that the “Low Price Guarantee” signal has implications which are different from “Price Match Guarantee” signal, especially among those who are promotion focused.

Among those who are promotion focused, (i) pre-purchase, using LPGs (vs. PMGs) attracts more consumers, but (ii) to the extent the consumer discovers a lower price elsewhere post-purchase, using LPGs (vs. PMGs) leads to lower repurchase intentions. In contrast, among those who are prevention focused, there are no differences across LPGs (vs. PMGs), both pre-purchase and post-purchase. Thus, the decision to use LPGs versus PMGs is contingent both on the relative proportion of promotion focused consumers and the potential that the consumers discovers a lower price elsewhere post-purchase.

Summary of Findings

In Study 1, we examine the differences in pre-purchase intentions for LPGs versus PMGs, contingent on whether consumers are promotion (vs. prevention) focused. Among those who are promotion focused, using LPGs (vs. PMGs) attracts more consumers. In Study 2, we examine a post-purchase scenario wherein consumers discover a lower price elsewhere, and specifically we examine the differences in repurchase intentions for LPGs versus PMGs, again contingent on whether consumers are promotion (vs. prevention) focused. In contrast to the results in Study 1, using LPGs (vs. PMGs) leads to lower repurchase intentions. In contrast, among those who are prevention focused, there are no differences across LPGs (vs. PMGs), both pre-purchase (Study 1) and post-purchase (Study 2).

References are available on request.

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Up in the Air! An Empirical Study on the Relevance of the Origin of an Airline in Behavioral Pricing

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Keywords: *price fairness, word-of-mouth, full-service airlines, quality consciousness, behavioral pricing*

Description: *The effects of price, number of connections on a transport route, and origin of an airline on consumers' price fairness perception, and word-of-mouth intention are being analyzed using a multivariate analysis of variance.*

EXTENDED ABSTRACT

Research Question

The airline industry is a competitive market with ongoing market entries. Especially the Arab states of the Persian Gulf had the chance to establish new full-service carriers in the last decades, which has a massive impact on the market share of Western legacy carriers (Grimme 2011). Due to increasing competition, airlines are seeking for strategies to sustain their market position and it is becoming more relevant to research the key success factors on a global scale (O'Connell 2011).

Existing studies focus primarily on the differences between low-cost and full-service carriers, and their effect on consumers' price perception (Balcombe, Fraser, and Harris 2009; O'Connell and Williams 2005). Current research about full-service carriers is emphasizing the different business models, ignoring their effect on consumers (Grimme 2011; O'Connell 2011; Vesperman, Wald, and Gleich 2008). Therefore, we conduct this study with the aim of giving a first insight into this highly relevant topic. Specifically, we discuss and analyze the following research question: What is the impact of price, country of origin as well as number of connections on consumers' (1) perceived price fairness and (2) positive word of mouth intention?

Method and Data

To empirically investigate the research question, we conducted a 2 (price: low vs. high) \times 2 (origin of the airline: Per-

sian Gulf State vs. Germany) \times 2 (number of connections: two per day vs. two per week) between-subjects factorial design. The sample results from an online survey in Germany with a sample size of 469 after the manipulation check. Test persons were recruited at a German University and in several aviation forums. 52 percent of the respondents are male and 48 percent female with a mean age of 34 years. To measure the perceived price fairness, we used the scale of Kwak, Puzakova, and Rocereto (2015), which is an adapted version of the scale introduced by Bolton, Keh, and Alba (2010) ($\alpha = .96$). The WOM intention is measured by using the scale of Hutter and Hoffmann (2014), which follows the concepts of Boulding et al. (1993) as well as Derbaix and Vanhamme (2003) ($\alpha = .92$). The data fulfills all premises of an analysis of variance. Additionally, the correlation between the dependent variables ranges between .3 and .7, and there are no signs of multicollinearity. Therefore, a MANOVA ("multivariate analysis of variance") can be applied (Maxwell 2001).

Summary of Findings

The analysis of the direct effect of an airline's origin implies that Western consumers perceive the price fairness of a flight offer higher, when it originates from a Western airline in comparison to a flight offer from an airline from the Gulf States.

Analysis of the interaction effect of the origin of an airline and the price of a flight offer on consumers' WOM intention

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also affirms the supportive effect of a Western airline. Specifically, a high price (versus low) leads to a higher WOM intention when the flight offer originates from an airline from the Western World compared to an airline from the Persian Gulf States.

Generally, the MANOVA reveals a positive effect of a high number of connections. A high number of connections has a positive effect on consumers' perceived price fairness as well as consumers' WOM intention. The effect on consumers' WOM intention is being enhanced, whenever a consumer shows an elevated level of quality consciousness. Quality conscious consumers, thus, show the highest WOM intention when a flight offer has many connection options.

Key Contributions

The study offers several contributions to the price fairness and WOM literature. First, we demonstrate that consumers' perceived price fairness can be influenced by the origin of a company and the number of connections offered on a trans-

port route. Second, we complement WOM literature by showing that the WOM intention can be affected by the number of connections a transport company offers. The origin of the company only has an impact on the WOM intention in a high price scenario, which makes our findings highly relevant for research on premium brands. Third, we show that quality consciousness moderates the connection between the number of connections and consumers' WOM intention.

Airlines should consider providing a high number of connections to improve consumers' perceived price fairness and WOM intention. A high number of connections is especially important to quality conscious consumers. Western legacy carriers should emphasize their origin, whereas airlines from the Persian Gulf States should not focus their marketing activities on the origin but rather on their high number of offered connections.

References are available on request.

Selling and Sales Management

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Is Customer Orientation More or Less Relevant When Dealing with Challenging Customers? The Influence of Customer Complexity and Customer Price Sensitivity on the Effectiveness of Salesperson Customer Orientation

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Keywords: *customer orientation, sales performance, customer complexity, price sensitivity*

Description: *Based on information economics and the theory of perceived risk, our study investigates whether customer characteristics (customer complexity and price sensitivity) influence the effectiveness of a customer-oriented selling approach.*

EXTENDED ABSTRACT

Research Question

While countless research studies are based on the assumption of a performance-enhancing effect of a salesperson's customer orientation, this effect has not been conclusively found in past research. Nevertheless, practitioners recommend customer-oriented behavior as a universal remedy, especially when dealing with challenging customers. Salespeople are recommended to understand and listen to the needs of challenging customers, while simultaneously exceeding customers' expectations. Dealing with customers that are characterized by a high level of price sensitivity or complex buying processes is often challenging for salespeople. When dealing with a high level of price sensitivity, salespeople are often recommended to focus on the benefits that a product brings for the customer beyond the price of the product by following a customer-oriented selling approach. When facing a complex buying decisions, companies usually involve a team of people in the decision-making process and demand products and services that provide superior value. Intuitively, a customer-oriented selling approach seems to be best suited to address the diverse needs of buy-

ing center members and address complex customer needs. However, is customer orientation the most effective remedy when dealing with challenging customers?

Method and Data

We collected our data with an online survey in Germany. Unit of analysis is the individual B2B salesperson and our final sample size contains 100 B2B salespeople from different companies and industries. All constructs are measured with established multi-item scales using salesperson self-reports. We analyzed the reliability and discriminant validity of the multi-item measures with a four-factor confirmatory factor analysis using AMOS (version 24). To test for both a direct effect of customer orientation on performance and moderated effects of customer complexity and customer price sensitivity, a hierarchical moderated regression analysis was performed. We found support for a positive relationship between salesperson customer orientation and sales performance (.25 $p < .05$). Our results show a negative moderating effect of customer complexity on the relationship between customer orientation and salesperson perform-

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ance ($-.207, p < .05$), as well as a negative moderating effect of price sensitivity on the relationship between customer orientation and salesperson performance ($-.330, p < .01$). In order to avoid common method variance, we tested for the presence of method effects.

Summary of Findings

Many researchers and managers intuitively answer the question of how salespeople should address challenging customers with a focus on the salespeople's customer orientation. Yet, given the lack of research on this topic, this question remained open. Our research contributes to this literature and shows that two characteristics of challenging customers—price sensitivity and customer complexity—weaken (as opposed to strengthen) the relationship between salesperson customer orientation and performance. In accordance with previous research we find a linear relationship between a salesperson's customer orientation and salesperson performance. A salesperson's customer orientation has a stronger impact on performance, when price is of minor importance to the customer, whereas for highly price-sensitive customers customer orientation is less relevant for sales-

people's performance. When customer complexity is low, customer orientation has a stronger impact on performance.

Key Contributions

Theoretically, our paper contributes to past research by focusing on customer characteristics as situational factors that influence the customer orientation-performance relationship. By doing so, the paper outlines situations in which a customer-oriented selling approach is more or less effective in enhancing salesperson performance. Managerially, our study sensitizes managers to be aware of the characteristics of their customers, when they encourage salespeople to be customer-oriented or invest in their sales force's customer orientation. Customer orientation is an effective tool when dealing with customers who have a low level of complexity or price sensitivity. Hence, salespeople should be aware that when customer complexity or customer price sensitivity is high, they could save resources (e.g. costs and time associated with customer orientation) by reducing their customer orientation.

References are available on request.

Do Salespeople Invest More or Less Effort in Selling New Products? The Importance of Motivation and Customer Relationships

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Keywords: *new product selling, motivation theory, salesperson, business markets*

Description: *The experimental study investigates how different new products and customer relationships affect new product selling task difficulty, which shapes a salesperson's new product selling effort.*

EXTENDED ABSTRACT

Research Question

Approximately 40 percent of all new products that are introduced on B2B markets fail. Given companies' high investments in new product development, this failure rate results in a significant loss of money for the companies. While past research has identified new product selling (hereafter NPS) effort as an important driver of new product market success, studies report different relationships between salespeople's perception of new products and resulting selling effort. This study draws on motivation theory to investigate (1) the effect of new product market newness, customer—salesperson trust, and customer—firm satisfaction on NPS task difficulty, (2) the relationship between NPS task difficulty and NPS effort, which we theorize to be inverted U-shaped; and (3) salesperson motives, customer—salesperson trust, and customer—firm satisfaction as possible moderators of the NPS task difficulty—effort relationship.

Method and Data

This study draws on motivation theory to test the relationship between new product selling task difficulty and new product selling effort, using a 3*2*2 experimental design and data from 185 B2B salespeople. Unit of analysis was the individual salesperson. All manipulation checks showed significant difference, hence proving successful manipulation.

Summary of Findings

Overall, results support the hypotheses. In line with motivation theory, results show an inverted U-shaped relationship between NPS task difficulty and NPS effort, the shifting effect of the relative strength of a salesperson's approach motive, and demonstrate the moderating effect of interpersonal and organizational customer—supplier relationships which even lead to turning the inverted U-shaped relationship between NPS task difficulty and effort to a U-shaped relationship.

Key Contributions

This study provides comprehensive insights to the hitherto ambiguous relationship between NPS task difficulty and NPS effort, an important antecedent of new product success. In line with motivation theory, results show an inverted U-shaped relationship and the shifting effect of the relative strength of a salesperson's approach motive, and demonstrate the moderating effect of interpersonal and organizational customer—supplier relationships which even lead to turning the inverted U-shaped relationship between NPS task difficulty and effort to a U-shaped relationship.

References are available on request.

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Building Customer Trust in Technology-Mediated Online B2B Sales Encounters

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ABSTRACT

The emergence of technology-mediated B2B sales encounters may transform the ways in which trust is built during buyer-seller dialogues. Drawing on video recordings of real-life technology-mediated B2B sales meetings, this paper initially explores unique trust building actions in the context of digitalized encounters.

Keywords: *trust building, business-to-business, buyer-seller interactions, sales interaction, sales skills*

Introduction

Customer trust in salespeople is a basic and much-studied factor of sales performance in business-to-business (B2B) exchange (Manning, Ahearne and Reece, 2012; Morgan and Hunt, 1994; Sharma, 1990). Trust does not initially exist between the participants of sales interactions; rather, it is built and formed gradually throughout the buyer-seller dialogue.

The emergence of technology-mediated B2B sales encounters may transform the ways in which trust is built during buyer-seller dialogues. In technology-mediated social interaction, the buyer and seller may not meet face-to-face or be physically present, which disallows many important means of social interaction—for example, reading another's body language or interpreting and reacting to the atmosphere of the meeting. The extant literature neglects trust building in this type of digitalized B2B sales encounter.

Drawing on video recordings of real-life technology-mediated B2B sales meetings, this paper explores two questions: (1) How are traditional, face-to-face trust building activities manifested in digitalized B2B sales encounters? (2) What characteristics of trust building are unique to digitalized B2B sales encounters? Research relying on interviews and surveys may over-emphasize exogenous differences (e.g., company reputation) in explaining the success or failure of sales negotiations. Using video recordings to study the interactions between salespeople and customers allows us to

identify those endogenous practices through which salespeople gain customers' trust (Niemi and Pullins, submitted).

Literature Review on Building Customer Trust

Customer trust in a salesperson in B2B situations relies on the customer's belief that the salesperson will serve the long-term interests of the customer and his or her organization (Crosby, Evans and Cowles, 1990; Grönroos, 2011). Trust is an important factor of sales performance. Customers tend to be more receptive to salespeople whom they perceive as credible (Arndt et al., 2014), and they more deeply process the communications of a credible salesperson (Sharma, 1990). Once customer trust is established, the customer is more likely to open up and share information (Manning et al., 2012), which increases both the efficiency of communication and the degree of cooperation between buyer and seller (Liu and Leach, 2001; Morgan and Hunt, 1994).

To be successful, a salesperson must convince the customer of his or her capacity to serve the customer's interests, which involves using techniques of trust building during customer interactions. Trust building techniques may involve the salesperson demonstrating expertise, extensive preparation or a customer-oriented attitude (Rackham, 1988; Arndt, 1990; Swan et al., 1985). Communication in sales meetings includes both expression (speaking and body language) and listening, the latter of which is a significant element of a salesperson's emotional and communication skills, which

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positively correlate with customer trust (Comer and Drollinger, 1999).

This study provides an exploratory look at interactive trust building in real-life digitalized B2B sales encounters, building upon earlier results from mail surveys and interviews (e.g. Swan et al., 1985; Sharma, 1990; Doney and Cannon, 1997; Liu and Leach, 2001) and simulated sales meetings with no possibility of a real deal (Arndt et al., 2014). Part of this work also considers the related concept of credibility. Trust has been found to be a factor in perceived credibility (Sharma, 1990; Arndt et al., 2014), but trust has also been more broadly defined as the perceived credibility and benevolence of a target of trust—i.e., the salesperson (Doney and Cannon, 1997). In this paper, trust is regarded as an overarching term that includes salesperson credibility.

Methodology

This study explores salespeople's trust building actions within digitalized (technology-mediated) B2B sales encounters. Because trust is built through and expressed in communication between the salesperson and the customer, it is essential to study it using direct observations of authentic buyer-seller interactions. This method enables us to detect nuances of social interaction, of which subjects may not be consciously aware, and which cannot be self-reported for this reason. For example, customers seldom explicitly say: "now I trust you" or "I don't trust you"; instead, they express themselves more subtly. This study uses qualitative methods and inductive reasoning to identify patterns and regularities in real-life sales interactions and establish findings concerning effective sales techniques. This study uses video recordings of real-life sales meetings as data and well-established Conversation Analysis (CA) as the method of analysis (Mondada, 2013). The dataset consists of one IT solutions and services organization that offers a project management and work-time tracking solution using an "SaaS" business model (software as a service). Customers are small, medium and large companies in the construction industry.

Data Collection

We recorded real-life B2B sales meetings between the seller company and prospective customers in one European country. Salespeople's performance including the use of computer screens (his/her own screen and a shared screen) were video-recorded in the seller's office, and customers over online connection were audio-recorded. Participants had audio connection and a shared screen in use, and they didn't use video. Permission to make the recordings was granted by the management of the sales company, and the salespeople of this company proposed recording the sales meetings to prospective customers. A researcher set up a camera to record the salesperson and capture the customer's audio,

then left the office. The participants in these meetings were not told that the research topic was trust building techniques. Ten sales meetings were recorded, varying from 15 to 70 minutes. It is often suggested that merely recording an activity disrupts and transforms it, and, as demonstrated in earlier studies and in our own data, participants tend to forget camera's presence rather quickly (Mondada, 2013).

The recordings were transcribed in considerable detail to capture non-lexical aspects of speech, such as timing (e.g., overlapping talk or pauses within and between speakers' turns) and the ways in which words were said, including intonation, emphasis and the elongating of sounds and words. An explanation of the transcription symbols is provided in Appendix 1. The English transcriptions in this study are translations from Finnish and use standard orthography. Some of the original detail is not transferred to the translations, but the most important features are preserved. The study design conformed to the ethics guidelines of the University of Helsinki, and complete confidentiality and anonymity was guaranteed to the individual participants.

Data Analysis

The analysis method applied in this study is conversation analysis, a widely accepted analytical method used in the social sciences and linguistics, including research into social welfare (Toerien et al., 2013), legal communication (Zimmermann, 1992) and medical interaction (Heritage et al., 2007). The methods of CA are micro-level, and they connect actions and their designs to the way sequences run off. Thus, CA research has been able to make recommendations for improving the communication of conversation participants. CA has also been applied to B2B sales encounters to examine how salespeople can build rapport with their prospective customers (Clark, Drew and Pinch, 2003; Kaski, Niemi and Pullins, 2017). In order to identify and understand how trust building manifests in digitalized sales interactions, we analyzed and compared successful and failed sales cases. In line with Rackham (1988), we consider a successful sales meeting to be one that leads to an advance in the sales process, while a failed sales meeting ends in a continuation or a decision of no-sale.

Preliminary Findings

In this section, we describe and analyze typical trust building actions of the salesperson that resulted in both successful and failed interactions. In general, we found that, in digitalized sales interactions, customer trust does not evolve just through talk-based actions; rather, it requires the salesperson to concretely demonstrate the service and allow the customer to try it "hands-on" during the buyer-seller interaction.

We elaborate the actions that build trust and show how customers sometimes signal growing trust by sharing in-depth

knowledge of their businesses and needs. In some examples, a more in-depth understanding of a customer's needs enabled salespeople to customize their solutions to optimally fit the customer's business situations. We also study salesperson actions that led to the customer signaling a problem or displaying distrust in the salesperson.

Our analysis of successful cases reveals that prior to achieving a positive outcome, the salesperson must have established sufficient customer trust. In digitalized sales encounters, we found that there are two general types of trust building actions: (1) demonstrating services on the customer's screen over the internet, and (2) demonstrating a customer-oriented approach. We also found, in contrast to extant literature and our own expectations, that widely known trust building actions, such as tailored references, active listening and demonstrations of preparation, were virtually absent from our data.

Demonstrating the service on the customer's screen. Concrete visualization of the service seems to have a central role in building trust in a digitalized B2B sales dialogue. Instead of the salesperson's face, the customer can see the user interface of the software and can run through an illustrated use process to gain concrete experience using the service and understand its possible benefits to the customer's business. This may reduce the customer's perceived risk of purchasing the service and increase the customer's trust. The seller company examined in this study has designed an easy-to-use demo for use in their remote sales meetings.

Example: A senior sales director from the case company is holding an initial sales meeting with the prospective customer "KAR," a medium-sized construction company looking to digitize the administrative tasks of various construction sites. First, the salesperson described the company and its background using a slide presentation that included reference cases. The customer did not react or participate during this phase of the meeting. Next, the salesperson asked the customer to sign in to the software via the link that was sent by e-mail. S/he started to demonstrate and describe the functionalities and possibilities of the service. At this stage, the customer, who shared the same screen as the salesperson, became active, starting to interact, ask questions and share more knowledge, as seen in the following excerpt:

Excerpt 1:

01 SP: It (modifications) can be locked so that, hmmm (.)
02 that one can not edit it anymore.
03 (.)
04 C: Yeah. Is it possible to place (.) supervisor here as a
kind of acceptor?
05 SP: Yes, it is.

[...]
06 SP: This is simple.
07 (0.4)
08 SP: This is easy. Or what do you think?
09 C: Yeah, It looks credible.
10 SP: .hmm. How do you carry out inductions?
11 (0.4)
12 C: We have (0.2) a paper to which we get (.) we need
(0.6) an employee's signature.
13 We go through paper (.)
14 the construction site topics listed in the paper. and we
then have it in electronic format,
15 the presentation (.) which is discussed in the induction.
16 SP: okay. hh.
17 C: We have seen the paper version that...because we
need to still get the signature
18 from people...still.
19 SP: [approval
20 C: [signature to that so that its valid.
21 SP: Yeah ↑ I show your just quickly...

In this excerpt, on line 04, the customer requests more information on possibilities, signaling his interest. The question "Is it possible" refers to a functionality that customer did not currently possess and that would offer new value to the customer. Later (lines 06-08), the salesperson builds agreement with the customer by asking for an opinion on the service's ease of use, and the customer provides a positive evaluation (line 09). The salesperson transitions to another functionality, and the customer mentions challenges that may prevent the use of that digitalized function (lines 17-18: "because we need to still get the signature from people."). The salesperson immediately starts to demonstrate how the signature can be handled digitally. In this excerpt, the customer becomes interested and shares in-depth knowledge, including the challenges and weaknesses of their operations. The meeting lasted 29 minutes, even though participants initially agreed to only 10-15 minutes. Thus, we conclude that the customer started to trust the seller as he disclosed challenges and difficulties to the salesperson and used more time than agreed.

Demonstration of customer orientation: Our data analysis suggests that there are many actions that demonstrate a seller's customer orientation and benevolence, including those that relate both to the company's approach to sales and the product itself. In many cases, the salesperson and prospective buyer discussed the seller's aim to add value for the customer—rather than hunt for short-term profit—and the seller's desire to deliver a solution that optimally fits the customer's needs. To emphasize their customer orientation, experienced salespeople often mentioned early in the meeting that they were taking notes, as the customer would not see this action. One typical method of demonstrating cus-

tomor orientation involved the salesperson explicitly inviting dialogue during the meeting. The following example elaborates how these actions unfolded in a meeting between our case company and a construction firm "PIPE." Again, the PowerPoint presentation at the beginning of the meeting did not build customer trust, as the customer remained passive and did not divulge any information.

Excerpt 2:

01 SP: ~ ~.ehm and yeah, (0.4) what we are today (.) ehm is that
02 ~ ~ ~ we have 1,500 firms (0.4) and 50,000 active users.
03 and in fact, (.) it consists of the biggest companies to small SME companies
04, so that the range is wide.
05 ~ ~ (0.6)
06 SP: ~ ~.ehm but it also tells you that (.) that yeah,
07 well, (0.4) that firms' sizes vary a lot, and their needs, so that our service also
08 is flexible in many different ways°.
09 ~ ~ ~ (1.2)
10 C: ~mm hmm.
11 ~ ~ ~ (1.2)
12 SP:~ ~snff °yes.° .and...

The salesperson presents claims to expertise during his PowerPoint presentation (lines 01-04), but these claims do not seem to affect the customer in a positive way (see the silence on line 05, when the customer could have responded). Then, after further explanation and more claims, the customer produces a delayed (see the 1.2 second gap on line 09), minimal acknowledgement (line 10). As Niemi and Pullins (submitted) observed, direct expertise claims (lines 01-04 and 07-08) that are not embedded in a simultaneously produced demonstration of customer orientation are not effective. The problem is that the customer is not involved in these expertise claims. However, this demonstration of customer orientation unfolded later and was a useful resource in building customer trust:

Excerpt 3:

01 SP: Our way is (.), when talking to companies we investigate your needs, so that
02 we always put customer needs first.
03 That we can help you out in issues that are important for you, and offer added value
04 for your business, so then we are on the right track...
05 C: Hmm
06 SP: Once we move on to service demonstration, I would appreciate having a dialogue
07 instead of my monologue.
[...]

08 C: Well its so that one has to remember, need to recall that where I have been then,
09 and when I was there and so on.
10 SP: Yes. That here in principle, some day you would type in the worktime and it would be, as said that...
11 C: Hmm
12 SP: So it works then automatically here in the background, so that when an employee
13 has started and finished his workday, he can separately take a photo and
14 add it (the photo), and then here you can define the breaks.
15 C: Yes.
16 SP: And, once he is finished, on the background there, our report automatically...
17 C: Yeah, and then he will always get a summary.
18 SP: Yes. One can report it by timespan, project site or by user.
19 C: Yes.
[...]
20 C: So, what does it require in practice? That hours come automatically to "firmX"?
21 Does it require work from you, or does it always require something from our side
22 to make it happen?

In excerpt 3, the salesperson claims to be aiming for the benefit of the customer (lines 02-04). Then, he initiates a transition to a new phase, the service demonstration, and encourages the customer to participate in the conversation (lines 08-09). Later, we see the customer openly sharing the business needs (lines 17-22). In this way, by moving to the service demonstration and demonstrating customer orientation and benevolence, the salesperson manages to build initial customer trust. This trust can be seen in the customer's voluntary divulgence of the needs and his becoming more active in the conversation (see especially lines 08-09, 17 and 20-22).

Through examples, we have seen how salespeople build customer trust by interactively demonstrating the service for the customer and by demonstrating customer orientation and benevolence. Demonstrations of customer orientation and benevolence are offered both early in the sales meeting (to convince the customer that the seller is truly interested in the customer), and later in the meeting (to argue that the service is customized to optimally fit the customer's needs).

Discussion

This paper examined the building of customer trust in digitalized B2B sales encounters. Our micro-level analysis revealed that trust cannot be built in this context using only traditional trust building statements (such as expertise

claims, tailored references and demonstrations of preparation). Instead, trust can be built by fostering a dialogue and by demonstrating customer orientation, and, even most importantly, by interactively demonstrating the concrete service product to give the customer “hands-on” experience. Such demonstrations enable the customer to reflect on the possible benefits of the product to his or her daily business processes, potentially reducing the customer’s perceived risk of purchasing the service.

It is notable that, in this study, we only analyzed talk-in-interaction, which is the central means by which participants can interact on-line, as they often do not see the other party. However, generating successful on-line sales interactions requires a broader perspective than just specific interactional skills that can facilitate the customer’s active role during the meeting. In fact, the products and services sold needs to be designed for on-line selling purposes to offer simplicity and real-time demonstration capability for different customers.

Our findings suggest that traditional trust building actions will not necessarily work in the context of technology-mediated sales. Therefore, the extant literature on sales and trust must adapt to encompass technology-mediated communication. Because the interaction channels in the modern sales landscape are multi-faceted, there is an increasing need for a new theoretical framework and a contextualization of the different types of technology-mediated communication (e.g. Facetime video conferencing interaction is different than WebEx or audio-only media).

Our findings suggest important implications for the managerial practices of companies. First, in order to utilize on-line demonstrations and interactive customer experiences as trust building activities, companies may need to redesign and modularize their product/service offerings to fit such purposes. The seller company studied in this paper modularized their software in order to enable easy-to-use and real-time customization of the product/service during on-line discussions. Such broader changes supported their technology-mediated sales model and helped to achieve success. Second, involving customers in dialogue and demonstrating customer orientation may require different methods and skills than traditional face-to-face sales interactions. These new skills may include planning and structuring the meetings in a simple way in order to maintain customer attention and interaction throughout all stages of the meeting. Salespeople may also need to be more sensitive listeners and pause to let customers to express themselves before moving on to another topic.

Our qualitative study has certain limitations. As our study is based on a rather small dataset, future work should consider testing the boundaries of the validity of the results reported here. Further, our dataset consists of multinational compa-

nies based in a single European country. Therefore, additional studies are needed to identify the potential effects of cultural differences on our results. For example, testing these findings in other industry sectors and sales contexts, as well as in various settings of technology-mediated buyer-seller interactions, would be valuable in understanding the boundaries of these findings.

As the salesperson in these interactions was video recorded, one could question whether the salesperson performed his or her authentic interaction behavior. Our research is in line with previous studies that show that video recording does not disturb professionals in their routine business practices (Mondada, 2013). We also found that video recording may slightly influence participants in the first couple minutes, but not later in the meeting. Upon asking the participants about this, they confirmed that the camera did not disturb their routine professional activities. We also granted full anonymity and confidentiality to all involved, so there is no reason to believe that participants were performing anything other than their genuine sales practices.

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Feeling Versus Reasoning: The Significant Interaction Between Salespeople's Influence Tactics and Customers' Shopping Goals

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Keywords: sales influence tactics, frontline salespeople, shopping goal specificity, construal level theory

Description: *This research strives to advance our understanding of how sales influence tactics can be adapted to correspond to each customer's shopping goal specificity level, ultimately leading to higher purchase behavior.*

EXTENDED ABSTRACT

Research Question

An important question to retailers is which sales tactics should be used with customers under various shopping conditions, for example, different purchasing goals. Despite this interest, the literature remains largely silent in providing theoretical guidance on this issue (McFarland et al. 2006; Evans et al. 2012). To begin to address this research gap, we develop a theoretical framework on the interaction between sales influence tactics, the mechanism utilized by salespeople to persuade customers (Brown 1990; Spiro and Perreault 1979), and customer shopping goal specificity (e.g., “just looking around” or shopping for something specific). We use construal level theory (CLT) in guiding our framework. Using CLT, we link the level of abstractness or concreteness of thoughts due to different shopping goal specificity levels. Based on this, we predict that emotional influence tactics work best when customers have a non-specific goal and rational influence tactics work best with specific goals.

Method and Data

We test our hypothesis with an online experiment examining the interaction between shopping goal specificity levels and influence tactics on purchase intention through a 2 (shopping goal specificity level: high vs. low) x 3 (influence tactic: emotional vs. rational vs. control) between-subjects design using 300 participants (25 responses were eliminated

due to nonsensical answers on the writing task) from Amazon Mechanical Turk. First, participants wrote a short paragraph on a randomly determined scenario of a shopping situation in which the goal was to browse around a store or to purchase specific products for a camping trip. Afterwards, participants indicated their purchase intentions and rated how specific or non-specific their shopping goal was as a manipulation check, in addition to providing demographic information.

Before the main experiment, all the influence tactics were pretested to ensure each influence tactic captured its intended emotional or rational aspect on a statistical basis.

Summary of Findings

The results showed support for our hypothesis. Additionally, an ANOVA revealed a significant difference across conditions ($M_{\text{low}} = 2.92$ vs. $M_{\text{high}} = 6.37$; $F(1, 273) = 310.143$, $p < .000$, $\eta^2 = .532$), indicating the writing manipulation task of shopping goal specificity was successful.

Of central interest, a two-way ANOVA showed a main effect of shopping goal specificity levels ($M_{\text{low}} = 2.42$ vs. $M_{\text{high}} = 5.14$; $F(1, 269) = 324.00$, $p < .000$, $\eta^2 = .546$), and an interaction between shopping goal specificity levels and influence tactics ($F(2, 269) = 8.054$, $p < .000$, $\eta^2 = .056$) on purchase intention. In other words, as predicted, when shopping

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goal specificity was low, participants had higher purchase intentions with emotional influence tactics compared to rational influence tactics. On the other hand, when shopping goal specificity was high, participants had higher purchase intentions with rational influence tactics compared to emotional influence tactics.

Key Contributions

This paper strives to advance our understanding of the interpersonal influence mechanism on linking sales influence tactics to each customer's shopping goal specificity level. We advance theory by developing a theoretical framework that integrates customers' shopping goal specificity levels and salesperson's influence tactics on purchase intention through construal level theory. Further, we contribute to the

goal specificity literature by identifying a new association between customers' shopping goals and sales influence tactics, through the lens of CLT by examining a downstream consequence of construal levels on sales influence tactics. Lastly, this research provides important implications for practitioners in retail settings because it is quite straightforward and relatively easy for salespeople to recognize customers' levels of shopping goal specificity. For example, a simple question of "How may I help you?" can be used to identify the customer's shopping goal specificity level, thus allowing salespeople to efficiently select the best sales influence tactic (e.g., rational vs. emotional) leading to higher probabilities of making a purchase.

References are available on request.

Drivers of Responsible Selling: A Self-Regulation and SD-Logic Perspective

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Keywords: *value-based selling, self-leadership, self-regulation, sales performance*

Description: *This paper theorizes the idea of responsible selling through the lenses of self-regulation theory and SD-logic and proposes a conceptual model to discuss its antecedents and outcomes.*

EXTENDED ABSTRACT

Research Question

Our paper aims to answer two questions:

1. How do we articulate the element of responsibility in the salesperson's job in B2B context?
2. How do we integrate various perspectives such as self-regulation and SD-logic to conceptualize salesperson's responsible selling behaviors?

Summary of Findings

Recently, a growing body of literature has reported on self-leading abilities of salespeople and their self-regularity mechanism deployed on the job (Panagopoulos and Ogilvie, 2015; Singh and Venugopal, 2015). We strengthen this line of investigation to suggest that self-leadership strategies and thought self-leadership (TSL hereafter), in particular, are powerful tools for salespeople, deploying which they can be more confident to engage in more responsible ways of selling and achieve higher levels of performance.

We conceptualized this first by suggesting a conceptual link between TSL and self-efficacy in the context of selling and sales management. We anchored our work on the social cognitive theory (Bandura, 1991) and found strong empirical evidence to suggest this relationship. Second, we grounded our argument in the job-demands resources (JD-R) theory to suggest that self-efficacy indeed is used as a job resource in the selling environment, which positively influences the selling behaviors and job engagement of salespeople. Third, we suggest that in the sales context, self-efficacy is a distal

predictor of performance and it can potentially drive salespeople to engage in a form of selling that is more responsible towards attaining both salesperson and customer outcomes. Our argument further strengthens the belief that the commitment to create superior customer value has a positive impact on the behavioral and outcome performance of salespeople (Schwepker Jr., 2013).

Key Contributions

The notion of "driven" salespeople is gaining more traction among sales managers, and practitioner literature captures several related ideas such as self-motivation, self-management, and self-regulation. Therefore, suggestions from our conceptual model that TSL leads to responsible selling behaviors is likely to strengthen sales managers' positive disposition toward self-leading salespeople. Moreover, TSL, much like other components of self-leadership is a learned goal-setting behavior (Manz and Neck 2004; Manz, 1986) and such behaviors can be learned as a set of behavioral skills training (Latham, 1989). Therefore, one of the most actionable managerial implications is in terms of including self-leadership training as a developmental strategy for frontline salespeople.

Another implication is in the way sales managers can use salespersons' TSL in reducing supervision cost. Increasingly, firms are discovering the benefits of developing and mentoring self-leading teams. Since a salesperson's TSL can influence his or her peer group, firms can use high-TSL salespersons as informal leaders within sales teams. This can

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help firms to reduce the role demands of managers and rationalize supervision costs.

We further argue that initiating such a discussion among sales researchers could serve as a foundation towards

empirical validation of responsible selling model in the context of business markets.

References are available on request.

Managerial Approaches and Sales Rep Behavior Driving Efficiency in Direct Selling

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Gabriel Gonzalez, San Diego State University*

Keywords: sales rep, sales management, personal selling, sales efficiency, sales resources

Description: Our research seeks to resolve tensions between key managerial actions that firms can take to increase the overall productivity of an independent direct sales force.

EXTENDED ABSTRACT

Research Question

Direct selling continues to grow globally as an essential go-to-market tactic for firms, sales globally from independent sales representatives (reps) have increased at an annual compound growth rate of 5.2% over the past three years and the number of sales reps increased globally to over 107 million, a 3% increase from the previous year (WFDA Report 2016). In addition, new formats like online transactions and physical retail locations are becoming more popular for reaching customers in emerging markets where direct selling predominated (DeVos 2013). These trends have led to increased competition and complexity, which affects the management of a direct sales force in several key ways. Our research seeks to resolve tensions between key managerial actions that firms can take to increase the overall productivity of an independent direct sales force. Namely, a focus on retaining and developing sales reps versus recruiting new sales reps, and the influence of having physical retail locations operating in the same territory as a sales rep. Last, we identify key sales process activities that distinguish highly performing independent sales reps from their peers.

Method and Data

To test the hypotheses, we use a unique data set of 4,173 sales reps selling a leading retail brand of cosmetic and health care products (e.g. perfume, make-up, and hair and skin care). From the salesforce and HR database, we gathered 12-month (15 cycles) sales-performance data in each of 11 product categories for 16 different team assigned to dif-

ferent territories. We followed a three-step approach to test the hypotheses of the sales performance drivers. In the first stage, we estimated the sales frontier based of the management and promotion instrument. Following the fundamentals of SFA regression, consider a sales rep i selling products in j categories over t months. In category j , rep i and month t , there exists an upper bound y_{ijt} , or sales frontier, that is shaped by the top-performing reps in category j , and can be defined as a function of external factors (e.g., management). In the second stage, we employed the residuals from the regression equations to calculate individual efficiency scores for every sales rep in every category. In the third stage, we estimated the impact of rep profile in the use of sales and financial resources on the individual sales efficiency for every product category.

Summary of Findings

The aim of this paper was to explore the effects on a direct sales force's performance of firm management and motivation tactics, and the sales and customer responsiveness resources employed by sales reps. Overall, our study addresses criticisms of prior research in sales of a lack of performance measurement of sales reps over time, avoiding proxy performance measures often used in cross-sectional data that limit the ability of researchers to delineate causality. Specifically, our three-step approach is different from the existing direct selling research because it identifies key drivers of performance in a model that estimates sales efficiencies at the product category level. The SFA employed in

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our study enabled us to compare an individual sales rep with the best performers in their firm allowing us to better identify the drivers of performance. Consequently, this research provides a unique empirical assessment of the factors that drive the performance of sales reps in emerging markets. Our analytical approach ties these two perspectives together in a unique fashion. The analysis of managerial approaches for capturing greater value from the market through total sales informs our understanding of sales rep efficiency. We then explore particular sales rep behaviors that drive those efficiencies.

Key Contributions

We contribute in two ways to the understanding of sales rep efficiency. First, leveraging particular sales resources makes a rep more efficient. In particular, focusing on commission makes a rep more efficient. Focusing on selling higher commission products, like premium products, leads sales reps to

more easily reach total sales goals, while focusing on lower commission products negatively affect a rep's ability to easily reach their goals. Leveraging promotion and low cost shipping is also an effective means for more efficiently driving total sales. These sales resources help rep's offer customers greater value and thus more easily convert sales. Second, being responsive to customers helps sales reps be more efficient in growing sales. In particular, being sure to gain access to products more easily so as to be able to have the right product at the right time is key. Leveraging installment plans and deferred payment plans allows reps to get access to more needed products more easily. Also, early cycle ordering assures that customers do not have to wait to receive desired products and that they do not miss out on being able to get the products due to being discontinued in future sales cycles.

References are available on request.

Developing a Measure of Entrepreneurial Selling

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Keywords: *entrepreneurial selling, salesperson performance, entrepreneurship, scale development*

Description: *Based on exploratory qualitative and quantitative studies with data from B2B salespeople and managers, this research develops an entrepreneurial selling scale.*

EXTENDED ABSTRACT

Research Question

In today's business markets, the parallels between entrepreneurship and sales become more apparent and the sales function is described as inherently entrepreneurial. Although research has already highlighted the entrepreneurial role of salespeople and its possible importance to companies and their customers more than 25 years ago, sales research has largely neglected to develop a thorough understanding of entrepreneurial selling. While highly valuable, a systematic investigation of salesperson entrepreneurial selling has been virtually non-existent. This knowledge gap is due to the absence of a clear understanding of the conceptual domain of entrepreneurial selling, and the lack of a measure for the construct, which inhibits empirical research on this subject. Hence, with a focus on B2B customers, the objective of this paper is to contribute to the sales literature by (a) conceptualizing entrepreneurial selling, (b) developing a scale to measure entrepreneurial selling, and (c) investigating the effectiveness of entrepreneurial selling.

Method and Data

In developing the scale, we followed established procedures for measurement development and prior-scale development studies. The current research began with a qualitative study and a thorough literature that provided the foundation for our scale development. Using survey data from 142 B2B salespeople and sales managers, we are able to develop a valid scale to measure entrepreneurial selling. We find that entrepreneurial selling is a higher-order construct including active information-gathering, alertness to opportunities, questioning of customer processes and questioning of internal processes. Furthermore, entrepreneurial selling is dis-

tinct from established selling behaviors (i.e. customer orientation, adaptive selling, value-based selling and creative selling) and we find evidence for a performance-enhancing effect of entrepreneurial selling above and beyond those selling behaviors.

Summary of Findings

The sales function as a boundary spanner between the organization and its customers has long been proposed to be the function in which entrepreneurial activities are of great importance. However, an understanding of how firms can implement entrepreneurship on the individual level of their salespeople is still absent. The findings from our literature search and qualitative study indicated that salespeople and entrepreneurs have many aspects in common and research on the behavior of entrepreneurs seems to be appropriate to establish a conceptualization and measure of entrepreneurial selling. In line with calls for a stronger focus on concrete entrepreneurial behaviors, we were able to identify four dimensions of behavior that are also important for entrepreneurs. Entrepreneurs and entrepreneurial salespeople are constantly questioning the status-quo even when things are going fine. They are willing to take on extra effort to continuously improve their product offerings and established processes. Entrepreneurial salespeople like entrepreneurs exploit opportunities by actively searching for opportunities or being aware of opportunities, that arise in their environment.

Key Contributions

Theoretically, this study is the first to conceptualize the entrepreneurial behavior of salespeople on the individual

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level and develop a measure for entrepreneurial selling. Our study proposes a stronger focus on behaviors, which are associated with a successful entrepreneur, instead of focusing on behaviors within organizations. Our study paves the way for empirical investigation in this important, yet hitherto neglected research area. Managerially, our study shows that managers may enhance sales force performance with a focus on entrepreneurial selling. This study indicates impor-

tant behaviors, which should be trained, or focused on during recruiting, to improve the entrepreneurial ability of sales forces. Due to the close connection between salespeople and their customers, it is only rational for managers to encourage salespeople to propose improvements of established products and processes, even in the customer's business.

References are available on request.

How Does Self-Construal Affect Sales Performance? A Perspective of Purposeful Work Behaviors

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Chuanming Chen, Nanjing University

EXTENDED ABSTRACT

Research Question

The goals of this study were (1) to examine the underlying mechanism through which different types of self-construal affect salesperson performance, (2) the effects of various self-construals at varying levels of competitiveness, (3) the role of different firm control systems under different levels of competitiveness, and (4) the effectiveness of different customer-oriented behaviors under different market conditions.

Method and Data

We collected self-reported data from 51 managers and 330 salespersons from 51 firms in China. In addition, we also collected archival data of salespersons' performance to avoid common method bias. To analyze the results, we use hierarchical linear modeling (HLM).

Summary of Findings

The results from hierarchical linear modeling using multi-level and multi-source dataset reveal that salespersons' self-construal interacts with task and situational characteristics to affect their customer-oriented behaviors and thus sales performance. Specifically, independent self-construal interacts with intra-unit competitiveness to increase functional customer-oriented behaviors, but decrease relational customer-oriented behaviors; while interdependent self-construal interacts with intra-unit competitiveness to increase relational customer-oriented behaviors. In addition, behavioral control (outcome control) generally strengthen the inter-

active effects of interdependent (independent) self-construal and intra-unit competitiveness, while outcome control (behavioral control) weaken the interactive effects of interdependent (independent) self-construal and intra-unit competitiveness. Finally, although both kinds of customer-oriented behaviors increase sales performance, the positive effect of functional customer-oriented behaviors become stronger as the levels of market volatility increase, whereas the positive effect of relational customer-oriented behaviors become weaker in this situation.

Key Contributions

We resolve the controversy about how self-construals affect salespersons' performance. Specifically, we made the following contributions. First, we identify customer-oriented behaviors as the mediating mechanisms between self-construals and sales performance. Second, we find evidence that salespersons with different self-construals will conduct distinct customer-oriented behaviors as the levels of intra-unit competitiveness increase. Third, firms can use control systems to strengthen or weaken the interactive effects between self-construals and intra-unit competitiveness and thus guide salespersons' customer-oriented behaviors. Finally, we find the positive effects of different customer-oriented behaviors on sales performance vary as the levels of market volatility increase.

References are available on request.

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A Systemic and Modular View on Marketing Interfaces and Organizational Frontlines

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Keywords: *organizational frontlines, service-dominant logic, modularity theory, institutions and institutional arrangements, sales-service interface, sales-service ambidexterity*

EXTENDED ABSTRACT

Research Question

The primary goal of this manuscript is to provide a novel theoretical foundation, grounded in a modular service ecosystems perspective, for understanding the nature and design of marketing interfaces and organizational frontlines.

Key Contributions

This paper provides a novel theoretical foundation that corresponds to a growing consensus in the sales literature regarding the need for more holistic approaches to selling and selling processes.

Summary of Findings

The recent sales literature has highlighted the importance of marketing interfaces (e.g., the location at which interactions

between the selling and buying firm take place), the sales-service interface (i.e., the level of integration between the sales and service function), and sales-service ambidexterity (i.e., the performance of combined sales and service behavior of a single actor). Promoting a broader, more dynamic, and systemic view, this paper highlights that these interfaces are embedded in service ecosystems in which broad sets of actors integrate knowledge and skills and that these interfaces can only be understood in the context of broader institutional work processes (i.e., the creation, disruption, and maintenance of institutions).

References are available on request.

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A Blessing in Disguise: The Role of Conflict at the Marketing-Sales Interface

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Keywords: *marketing-sales interface, productive conflict, functional interdependence, organizational justice, management intervention*

Description: *This study investigates productive and destructive conflict between marketing and sales functions and examines the impact of both types of conflict on firm performance.*

EXTENDED ABSTRACT

Research Question

Marketing and sales functions are vitally important for successful company performance: they are the principal revenue generators (Malshe and Sohi 2009), have direct contact with the customers (Malshe and Al-Khatib 2017; Rouziès and Hulland 2014), and have the highest level of market knowledge and skills to conduct market-related activities (Guenzi and Troilo 2006). However, both functions are often disconnected (Cespedes 1993) and have conflicting relationships (Kotler, Rackham, and Krishnaswamy 2006). With few exceptions, previous research often treated conflict between marketing and sales only in a negative connotation. Our research examines both productive and destructive conflicts and addresses the following question: what is the role of conflict at the marketing-sales interface and how it impacts company performance?

Summary of Findings

Findings indicate that both productive and destructive conflicts mediate the relationship between functional differences in orientation and company performance. The study also found that productive conflict has a curvilinear effect on company performance, such that at low or high levels of productive conflict company performance is lower than at moderate levels of pro-

ductive conflict. In addition, we identified that perceived organizational justice, functional interdependence, and management intervention have important moderating roles, impacting relationships between differences in functional orientations, both types of conflict, and firm performance.

Key Contributions

This study makes several major contributions. First, we integrate management and psychology literature into the stream of marketing research and present a broad outlook on the conflict between marketing and sales functions from both positive and negative perspectives. The proposed model further develops the concept of thought-world differences between marketing and sales (Homburg and Jensen 2007) and presents both types of conflict as mediators between functional differences and firm performance. In addition, we explore moderating effects of organizational justice, functional interdependence, and management intervention. Finally, this study offers solutions for both scholars and practitioners on how to facilitate productive conflict between marketing and sales functions and hinder the development of destructive conflict.

References are available on request.

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When Small Talk Isn't So Small: An Integrative Model of Disclosure and Empathy in Buyer–Seller Relationships

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Judith Anne Garretson Folse, Louisiana State University

Keywords: *buyer–seller relationships, disclosure, empathy, sales performance*

Description: *We present an integrative framework with disclosure as the focal construct and partition the construct into business and personal disclosure to better understand how salespeople can generate relationship empathy and trust within their customers, and enhance sales performance.*

EXTENDED ABSTRACT

Research Question

In recent years, the relationship selling literature has emphasized the importance of salespeople understanding the customer's perspective on a deeper level (Mullins et al. 2014); in other words, salespeople should “put themselves in the customer's shoes.” Such an understanding of the customer often stems from the sharing of information between buyers and sellers and attempts by the salesperson to engage in empathetic behaviors (Ahearne, Jelinek, and Jones 2007; Crosby, Evans, and Cowles 1990). Despite this understanding, limited research examines how specific content shared propels relationships forward. Thus, we aim to address the impact of business and personal disclosures in buyer-seller dyads. Social penetration theory (SPT), speaks to the layers and types of information disclosed between parties, contending that relationship growth relies on parties revealing their attitudes, personal characteristics, opinions, and feelings (Taylor and Altman 1987). Conversation permits the sharing of emotions, norms, and values, which promotes an understanding of each party's inner state (Akgün et al. 2015). Research suggests that emotions work through trust to lead to more positive downstream measures (Erevelles and Fukawa 2013). We anticipate that both business and personal disclosures positively affect relationship empathy, that

empathy positively affects trust, and trust positively influences sales performance.

Method and Data

To empirically validate our conceptual model, we conducted a field survey with B2B salespeople and their customers. A dyadic investigation into these issues helped shed light on how buyer–seller relationships develop from the perspective of both the salesperson and the customer. Our mixed-source data set included matched survey and performance data from salesperson–customer dyads in a large transportation logistics firm. Customer data came from a survey administered to the firm's 1,355 active customer accounts and yielded 258 completed responses. A total of 117 salespeople responded to a survey administered to the firm's sales force. Finally, the firm provided objective sales performance data using the annual revenue for each salesperson's customer accounts, consistent with prior sales research as an operationalization of sales performance (Mullins et al. 2014). Sales records were unavailable for 14 employees, leaving a usable sample of 103 matched dyads. We adapted all measures from prior research and consistent with extant sales research (Ahearne, Jelinek, and Jones 2007; Mullins et al. 2014), we controlled for interaction frequency, relationship length, and salesperson experience.

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Summary of Findings

Based on guidance from existing literature, we used partial least squares structural equation modeling to test the hypotheses (e.g., Bolander et al. 2015). All items loaded significantly on their corresponding factor and met standards for composite reliability and discriminant validity (Fornell and Larcker 1981; Henseler, Ringle, and Sarstedt 2015). We employed bootstrapping with 5000 resamples to test the statistical significance of the proposed paths. Results of these tests reveal that business and personal disclosure positively affect empathy; in turn, empathy positively influences trust. Consistent with extant research, trust drives sales performance. We proceeded to test the mediating effects of the disclosure–salesperson performance relationship following Preacher and Hayes’s (2004) method. Neither analysis of the double-mediating paths were significant; however, the three simple mediation effects within the disclosure-sales performance relationship achieved statistical significance.

In summary, the results support the proposition that disclosure drives important outcomes, specifically customer-felt relationship empathy and trust in the salesperson. The mediating analyses suggest that the effects of disclosure conclude

at promoting trust. The ability of customer-felt relationship empathy to foster trust in the salesperson is lucrative, as relationship empathy indirectly affects salesperson performance through this perception.

Key Contributions

Our research contributes to both theory and practice using SPT as a lens through which to unpack main and mediating effects of disclosure. We identify findings that address sales managers’ interests in forming deeper customer relationships to generate enhanced sales performance. Providing insights into the drivers of sales performance is of key importance to firms (Ahearne et al. 2013; Gonzalez, Claro, and Palmatier 2014) and supports academic and practitioner interests in this topic. As such, this research makes three primary contributions to the literature by (1) empirically testing SPT in the sales context using dyadic data, (2) demarcating the critical differences between business and personal disclosure, and (3) testing an integrative dyadic framework that explores the effects of these two types of disclosure content and relationship empathy.

References are available on request.

Who Do I Look at? Mutual Gaze in Triadic Sales Encounters

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Kenneth Evans, Lamar

Keywords: *selling, gaze, nonverbal, triadic sales encounters*

Description: *This research explores mutual gaze behavior between a salesperson and two customers (a husband and wife couple) and investigates the effect of mutual gaze on relational outcomes.*

EXTENDED ABSTRACT

Research Question

Salespeople often sell to couples, groups and families; yet there is little guidance about how salespeople should divide attention between multiple customers in a single sales setting. One way customers evaluate attention is through mutual gaze, also known as shared eye-contact. Research in personal selling has shown that mutual gaze with a salesperson leads to increased believability. In psychology, mutual gaze has been linked to a large number of beneficial outcomes, such as competence and intelligence. However, too much gaze can also be construed as a sign of dominance. The purpose of this research is to evaluate the effect of salesperson gaze on customer evaluation of relationship building when selling to multiple customers simultaneously. Specifically, this research looks at the impact of (1) initial mutual gaze (i.e., who the salesperson shares mutual eye-contact with first) and (2) the amount of mutual gaze with the primary and secondary customers on customer evaluations of the salesperson.

Method and Data

The gaze-related data was collected by coding videos related to a sales interaction between a professional salesperson and a real-life married couple. Two coders recorded first mutual gaze between the salesperson and the primary vs. secondary customer, as well as the length of mutual gaze between the salesperson and each customer during the last 150 seconds of the sales encounter. The Intraclass Correlation Coefficients (ICC) were all greater than .805, indicating sufficient agreement. The scores of each rater were averaged to create a composite measure. Additionally, the speech time was also

assessed for each customer during the first and last 150 seconds of the sales encounter. To measure the dominant customer speaker, the husband's speaking time was subtracted from the wife's speaking time for each time period. Negative numbers indicate the amount of time that the husband spoke more than the wife and positive numbers indicate the amount of time that the wife spoke more than the husband. Afterward the sales encounter, the customer couple independently completed a survey about their perception of relationship building.

Summary of Findings

Husbands spoke significantly more than wives did for the first 150 seconds (husband mean = 20.7 vs. wife mean = 10.6, $p < .001$) and for the final 150 seconds (husband mean = 22.4 vs. wife mean = 14.3, $p < .01$). Hence, husbands tended to take the primary customer role. The results demonstrated that sharing first mutual gaze with the secondary customer (the less dominant customer speaker) led to a higher rating of relationship building for *both* customers. Mutual gaze with the husband at the end of the sales interaction did not improve relationship-building perceptions for either customer. However, mutual gaze behavior directed toward the wife did. Taken together, both the wife and husband perceived greater relationship building when the salesperson focused attention on the wife, particularly at the beginning of the interaction.

Key Contributions

This research is the first study, to our knowledge, that has investigated the relational impact of triadic gaze in a personal selling or services context. Instead of rotating equally

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between the three participants, the nature of the sales interaction means that turn-taking typically shifts between the salesperson and customer dyad. To reduce turn-taking pressure among customers, it is common for one customer to take a primary speaker role and the other customer to take a secondary supporting role. We found a strong indication that one customer adopted a lead role. The results show that it is beneficial for salespeople spend more time making eye contact with secondary customers than primary customers. Increased gaze time with the primary customer did not lead

to improved relational outcomes. This is likely because of the nature of gaze in sales encounters. According to the visual dominance ratio, the more people speak while making eye-contact, the more they are perceived to be dominant. The results demonstrate that the primary customer is more sensitive to dominance concerns than secondary customers; thus, too much mutual gaze may accidentally trigger a dominance battle, particularly early in the sales encounter.

References are available on request.

How Consultants Can Shape Project Outcomes Before Things Get Started: The Role of Fit Between Price-Based Positioning and Contextual Factors for Project Performance

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Dirk Totzek, University of Passau

Keywords: *professional services, sales management, personal selling, positioning, configuration theory*

Description: *Drawing on configuration theory this research examines whether and how consultants can adapt their price-based positioning to the major contextual factors of RFP procedures to increase subsequent project performance.*

EXTENDED ABSTRACT

Research Question

Over the last years, it has become more challenging for consultancies to remain successful in their business. For example, clients increasingly focus on price and apply formal procedures including a request for proposal (RFP) stage in their purchasing of consulting services. To stay ahead of competition, consultancies need not only to be awarded contracts but also to initiate high-performing projects that contribute to client retention, consultancy growth, and the generation of repeat business. In this respect, the consultancy's positioning activities, a major source for firms to establish a competitive advantage, should be crucial to successfully pass the RFP stage and to initiate successful projects. The goal of this research is thus to examine the role of the consultancy's positioning during the client's RFP process on subsequent project performance. More specifically, we first conceptualize the major dimensions that consultants consider in their offer positioning. Second, we analyze how the fit between a consultant's high (vs. low) focus on price-based positioning and a wide range of contextual variables affects subsequent project performance. We focus on the final phase of the RFP procedure, that is, the time between the sales pitch and the final award of the project.

Method and Data

Based on a qualitative pre-study with eleven consultants and an extensive literature review, we first conceptualize the

major positioning dimensions (i.e., consulting approach, expertise, and price) and contextual factors of RFP procedures (i.e., client, consultancy, relational, and project characteristics) that consultants consider in the positioning of an offer. Second, we draw on a survey with 319 respondents working in leading positions of consulting firms (i.e., partners, principals, and project managers) and a secondary data source to capture consultancy reputation. More specifically, we rely on the results of large-scale practice surveys among consultants and managers in Germany. We first conduct a profile deviation analysis to empirically assess fit between the consultant's positioning approach and subsequent project performance. To do so, we first identify the top performing consultants with a high (vs. low) focus on price-based positioning to calibrate an ideal profile for both groups. Second, we analyze how the effect of a consultant's high focus on price-based positioning on project performance is moderated by major contextual variables.

Summary and Findings

Our results show that consultants can increase subsequent project performance by adapting their price-based positioning to the contextual variables of RFP procedures. More specifically, our analyses reveal that putting a high (vs. low) focus on price increases subsequent project performance in case of a low consultancy reputation, a relatively short proj-

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ect, or a large buying center of the client. However, we do not find evidence for our hypothesized interaction between the focus on price-based positioning and relationship intensity. In sum, our findings reveal that competing on price does not lead to a higher or lower project performance per se and thus respond to previous calls for research on the topic of positioning in a professional service and business-to-business environment.

Key Contributions

Our results provide empirical evidence for a general notion rooted in configuration theory: Consultants can lay the groundwork for superior project performance by adapting their price-based positioning to the major contextual

variables that surround RFP procedures. Thus, price not only affects the buying decision of clients but also has long-term consequences regarding the outcomes of a consulting project. From a managerial point of view, this research provides clear-cut guidance on how consultants should adapt their price-based positioning to three contextual variables (i.e., the reputation of their consultancy, the length of the consulting project, and the client's buying center size). These variables are of particular managerial relevance, because consultants can assess them based on "hard" numerical or secondary data (e.g., by drawing on rankings or information stored in CRM systems).

References are available on request.

Do Racio-Ethnicity and Gender Biases and Stereotypes Act as a Hindrance to Diversity in a Sales Force?

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Keywords: *racio-ethnicity, gender, stereotypes, diversity, salesforce*

Description: *This study continues the programmatic research on the effect of diversity factors (i.e. racio-ethnicity and gender), as well as the effect of match (and mis-match) of these factors on recruitment effort outcomes (i.e. performance evaluation and hiring decision).*

EXTENDED ABSTRACT

Research Question

Based on sociological theories and findings from prior investigations into racio-ethnicity and gender biases in work place hiring, we developed a series of hypotheses to study gender and racio-ethnic biases in evaluation of sales candidates and their hireability. We investigate whether gender and race biases and stereotypes hinder diversity in the salesforce by tackling the questions: Are there gender and racio-ethnicity-based biases and stereotypes that affect the evaluation of salespeople? We advanced a framework informed by the social dominance theory, social identity theory, and system justification theory to help us explain the gender and racio-ethnicity biases.

Method and Data

To empirically test our hypotheses, we used a customized data from a multi-year USA national sales competition. Each year students from about 35 universities participated in the competition and corporate executives evaluated the students' performance. We examined student performance in the sale role-play competition and elevator pitch. Corporate executives from major companies evaluated student performance at each event (four judges evaluated each student's sales role-play and five judges evaluated each student's elevator pitch). The corporate executives participated in judge training sessions prior to the events. Companies participated

in the sales competition to identify sales talent for their companies. This added further validity to the use of the context to understand any inherent bias in hiring. To assess any gender and ethnicity bias, we identified student-executive gender and ethnicity as a match, where the student and executive were of the same gender and ethnicity, respectively.

Summary of Findings

The results show that biases exist based on the candidate's gender and racio-ethnicity. Furthermore, the candidate's gender and racio-ethnicity (i.e. match or mis-match states) impact hireability. Our results show that neither gender match nor ethnicity match impact the sales role-play performance. However, match gender leads to a lower elevator pitch score than mis-match gender. We find similar effects for ethnicity.

Key Contributions

Our theoretical contribution resides in shedding light on the biases and stereotypes that exist in sales performance evaluation and hiring decisions. It also compares and contrasts the relevance of various models of biases and stereotypes within social theories. The contribution in terms of policy and practice includes offering suggestions to overcome hindrances to sales force diversity.

References are available on request.

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Transformational Leadership and Salesperson Job Satisfaction: The Mediating Effects of Psychological Empowerment and Employee Vigor

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Keywords: *transformational leadership, salesperson job satisfaction, mediating effects, psychological empowerment, employee vigor*

Description: *This research examines the mediating effects of psychological empowerment and employee vigor in the relationship between transformational leadership and salesperson job satisfaction.*

EXTENDED ABSTRACT

Research Questions

Today's selling environment emphasizes the use of leadership to improve work outcomes. Among the various leadership styles, managers with transformational leadership style are able to raise salespeople's awareness of the value in achieving organizational goals, encourage salespeople to transcend their own self-interests for the sake of the organization, provide charismatic vision and intellectual stimulation, and attend to the unique individual development and growth needs of each salesperson (e.g., Kotter 2000). In this research we examine whether psychological empowerment, composed of four dimensions (i.e., meaning, competence, self-determination, and impacts) (Spreitzer 1995), or employee vigor, referring to employees' perception of being energetic at work in a positive way (Shirom 2011), or both of them, mediates the relationship between transformational leadership and salesperson job satisfaction, and if so, whether it is a full or partial mediation. Based on job characteristic theory (Hackman and Oldham 1976) and affective events theory (Weiss and Cropanzano 1996), we hypothesize that the positive relationship between transformational leadership and salesperson job satisfaction is mediated by both psychological satisfaction and employee vigor.

Method and Data

The hypotheses were tested through a cross-sectional online survey. Participants included 313 salespeople working in various companies and industries in the U.S. (49.2% women; age: Mean = 40.2 years old, SD = 11.87; sales experience: Mean = 12.3 years, SD = 8.60). The scales of transformational leadership, psychological empowerment, employee vigor, and salesperson job satisfaction were adapted from Bass and Avolio (1995), Spreitzer (1995), Carmeli et al. (2009), and Comer et al. (1989), respectively. Structural Equation Modeling (SEM) with AMOS 24 was used to test whether our hypothesized model well fit the data.

Summary of Findings

Structural model assessment results indicated that the hypothesized model fit the data well ($\chi^2 [421] = 982.19, p < .001$; CFI = .93, TLI = .93, SRMR = .08, RMSEA = .07). Mediation analyses indicated that both psychological empowerment (indirect effect: $a_1b_1 = .56, p = .001$) and employee vigor ($a_2b_2 = .09, p = .026$) mediates the relationship between transformational leadership and salesperson job satisfaction. We also tested an alternative model by

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removing the direct path from transformational leadership to salesperson job satisfaction (i.e., a model for full mediation), which also exhibited an acceptable fit to the data ($\chi^2 [422] = 985.27$, $p < .001$; CFI = .93, TLI = .93, SRMR = .08, RMSEA = .07). Both psychological empowerment (indirect effect: $a_1b_1 = .66$, $p = .001$) and employee vigor ($a_2b_2 = .09$, $p = .026$) have mediating effects. We found no χ^2 differences between the two models ($\chi^2_{\text{difference}} = 3.08$, $df_{\text{difference}} = 1$, $p = .079$) (Werner and Schermelleh-Engel 2010). The alternative model was accepted as the final model because it was more parsimonious (Byrne 2001). Thus, psychological empowerment and employment vigor, together, fully mediate the link between transformational leadership and salesperson job satisfaction.

Key Contributions

Our theoretical contributions include: first, we show that the mediating routes between transformational leadership and salesperson job satisfaction is complex because both psychological empowerment and employee vigor play a mediating role, and together, they fully mediate the relationship. To our best knowledge, we are the first study to

empirically identify this mediating pattern; second, we extend previous studies on transformational leadership by empirically confirming its effect on employee vigor; and third, our study contributes to the literature of employee vigor by documenting its effects on salesperson job satisfaction. Energetic and vigorous feelings in the workplace will make salespeople more satisfied with their jobs. Again, we are the first study to explore employee vigor's antecedents, outcomes, and mediating effects in sales management settings. Our managerial contributions include: first, organizations should foster psychological empowerment and employee vigor among salespeople due to the unique characteristics in sales profession (e.g., working in the frontline, and physically separated from supervisors). Salespeople high on psychological empowerment and employee vigor are more satisfied with their jobs; and second, organizations may promote transformational leadership practices among managers, which will nurture psychological empowerment and employee vigor among salespeople, leading to higher job satisfaction levels.

References are available on request.

The Mediating Role of Self-Efficacy on the Effect of Leadership Congruence on Sales Performance

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Valter Alfonso Vieira, Maringa State University

Keywords: *leadership, congruence, performance, self-efficacy*

EXTENDED ABSTRACT

Research Question

Previous research has been measuring leadership either from the salespeople's viewpoint in evaluating their managers (Silva, Vieira and Agnihotri, 2017; Mullins and Syam, 2014) or from the managers' perspective in assessing themselves (Vieira, Perin and Sampaio, 2018). This unilateral evaluation has a common method bias (Judge and Piccolo, 2004) and can introduce measure unfairness since both groups (managers and vendor) can overestimate their scores in sales activities. One way to overcome this one-side limitation is to use value congruence (Edwards, 1995; Edwards and Perry, 1993). Previous literature recommended that value congruence can be achieved from transactional leadership (TAL) and transformational leadership styles (TFL) (Brown and Trevino, 2009). The congruence value is grounded on the perception that supporters agree with the leader's values (House, 1996). By adopting a value congruence approach, salespeople perceive managers' values as aligned with their own (Mullins and Syam, 2014). Nonetheless, we do not know how TAL and TFL from value congruence influences sales performance through self-efficacy in the sales field.

Method and Data

In Study 1, we collected data from two main sources: (1) salespeople and (2) sales managers from shoes store retail. These retail salespeople sell different products (e.g., slippers, shoes, boots, clothing, luggage, umbrellas, and gloves) to different segments (e.g., adults, kids, and teenagers) and to both genders. We collected data personally in retail stores. Salespeople reported information about their self-efficacy perception, sales performance, store features

and their managers' leadership behaviors. Managers reported information about their level of leadership behaviors. Our final sample represents 108 managers and 375 salespeople from 108 stores. In Study 2, we collected data with salespeople and sales leaders from clothing store segment. These retail salespeople sell different products such as trousers, shirts, skirts, dresses, etc. Respondents were approached personally, and they received a clarification of survey scope. We administered the survey with 134 sales managers of the 322 salespeople surveyed, and we matched the answers. In Study 3, we collected data with vendors and their supervisors in selling furniture and appliances. These retail salespeople sell different products (e.g., bed, sofa, closet, mattress, household appliance). We administered the survey with 114 sales managers of the 295 salespeople surveyed.

Key Contributions

The theoretical explanation for the value congruence of TAL is because managers and salespeople share the same thought about the positive and negative consequences for them by achieving the firm's goals (MacKenzie et al. 2001). This means that the TAL congruence equalizes the rewards and punishments between the leader and follower, such that the manager provides the sales goals and firm target and adjusts the salespeople's behavior toward sales activities (Dubinsky et al., 1995). By creating congruence between both leadership expectations, TAL influences positively salespeople's self-efficacy toward believes that they can achieve better results, which as consequence affects performance. The theoretical explanation for the effect of TFL value congruence is because managers and salespeople share the same "values, goals, and aspirations" (MacKenzie et al. 2001,

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p.118) toward different ways of doing the sales activities. By matching similar values, objectives and ambitions with their managers, salespeople believe in their different ideas and innovative sales approach (Shin et al., 2012), elevating their self-efficacy. As consequence, the in having more confidence in their ideas and sales approach, salesperson can reach greater levels of performance.

Summary of Findings

Across three surveys, self-efficacy had main effect on sales performance. As predictable, salespeople's leadership

evaluation of their managers influenced sales performance for both TFL and TAL. Our findings suggest that TFL has an indirect positive effect on performance via self-efficacy. Although we did not create a hypothesis, results showed that value congruence of TFL and TAL had main effects on performance when salespeople perceive them. The results also indicated that the TFL congruence and TAL congruence between managers and salespeople had impact on sales performance through self-efficacy.

References are available on request.

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Revisiting Customers' Waiting Experience: A Dual-Perspective Model

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James Agarwal, University of Calgary

Keywords: *customer wait time, negative emotions, wait satisfaction, customer satisfaction, and meta-analysis.*

Description: *This study proposes a dual-perception model integrating two well-recognized but distinct models for service waits, discusses theoretical foundations of diverse remedies explored in past studies, and performs a formal meta-analysis of the extant literature.*

EXTENDED ABSTRACT

Research Question

To date, much scholarly progress has been made in identifying the antecedents and consequences of waits as well as in exploring the underlying process mechanisms of customer waits in service situations (e.g. Maister 1984; Davis and Vollmann, 1990; Taylor, 1994; Hui and Tse., 1996; Cameron et al., 2003; Giebelhausen et al., 2011). However, the current wait literature is ambiguous in how wait time leads to the reduction in service satisfaction, because the dual perceptions of service waits are not integrated. On the one hand, wait could be viewed as a service attribute, namely, the 'service attribute' perception model (Maister, 1984; Pruyn and Smidts, 1998). On the other hand, wait could also be considered as a service cost, namely, the "service cost" perception model (e.g. Houston et al., 1998; Taylor, 1994). While the dual perspectives of wait have both been recognized separately, surprisingly, no study till date has integrated these two distinct perspectives into an organizing conceptual framework. Moreover, current studies on "wait remedies" are neither consistent across contexts nor theoretically comprehensive. As waits occur in different contexts, remedies considered in each of the studies are completely different. For instance, a study focusing on stores might investigate the impact of different patterns of wait lines, which is rather difficult to implement in a study on flight delays. To reconcile these conflicting issues and gaps in the customer wait literature, we propose to integrate the dual perspectives of wait and validate the proposed model with meta-analytic evidence

Method and Data

We validate proposed hypotheses with meta-analytical evidence. Specifically, we use two-step structural equation

modeling to show that proposed model has greater parsimony than alternative models and apply Hunter and Schmidt's approach to provide a summary for various wait remedies explored in past studies.

For data collection, first we created a baseline database which included all related articles in customer wait and satisfaction. The search approach to build this database applied a "bottom-up" strategy, i.e. identifying key articles and tracing all papers citing such articles. Subsequently, variables were coded following our summarized main constructs and remedies. Controversial variables were discussed and decided mutually by two authors. Finally, we conducted data cleaning before the analysis. Specifically, we adjusted the data for reliability and examined outliers in the data.

Summary of Findings

Our meta-analytic finding showed that our proposed integrated model offers greater parsimony than both of individual models ($\chi^2/df = 2.404$, RMSEA = .0149, CFI = .9921). Moreover, we found that anxiety acts as a partial mediator between subjective time and anger in the service cost model suggesting the possible existence of omitted variable (Zhao et al., 2010). However, the partial mediating role of anxiety changes to full mediation in the integrated model, which confirms that wait acceptability from the service attribute model absorbs the residual direct effect of subjective time on anger. Therefore, this "full mediation" effect also implies that two wait perception models are complementary in service waits. In addition, we found that in the service attribute model, only subjective time is negatively associated with wait acceptability but not disconfirmation as hypothesized ($p < 0.07$). The

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marginal significance of disconfirmation is also replicated in the integrated core model suggesting that wait acceptability is a direct function of subjective time only. This result suggests waiting customers generally have a wide range of tolerance for service waits which allows the disconfirmation to fall within the zone and thus creating assimilation effect (Anderson, 1973). In such cases, wait acceptability relies less on disconfirmation as diagnostic information; rather, subjective time is used as a quick proxy for disconfirmation requiring less cognitive effort and time.

In remedies for wait time, interesting insights emerge. Particularly, the wait environment is the most influential subjective time remedy compared to wait information and filled time. This could be explained as wait environment has diverse opportunities to influence customer wait perceptions than other remedies do. Wait environment can additionally serve the roles of emotion influencer and quality signal, while in contrast, wait information can additionally serve the role of emotion influencer, whereas filled time's role is restricted to that of attention distractor only.

Key Contributions

While both the service attribute and service cost models have been recognized as alternative frameworks to explain the psychological mechanisms underlying customer waits, our study is the first to reconcile and integrate these two per-

spectives of waits, which provides a more comprehensive understanding of customers' reactions to service waits. This integrated model identifies essential factors involved in service waits, which enables future scholars to conduct a more extensive study. For example, scholars would not overlook anxious feelings evoked in the service cost model as some past studies did.

Also, this integrated model provides insights to resolve confusions about the roles of diverse factors involved. For example, the integrated model suggests disconfirmation is not a very effective predictor of customers' wait acceptability, which was a popular focus in past studies.

Besides the integrated model, we also discuss for remedies impacting customers' waiting experience. These remedies were explored, but not summarized in the past, which results in conflicts and repetitions. Our discussion categorizes remedies based on their theoretical foundations, which makes it easier to generalize past findings across diverse service contexts. Also, the summarization provides insights for managers to improve their customers' waiting experience. For example, managers should particularly consider the design of waiting area, which is the most influential aspect to reduce the perceived waiting time.

References are available on request.

I Don't Care: How Restrictions in Service Provider Choice Eliminate Effects of Frontline Employee Emotion Authenticity on Customer Satisfaction

Andreas T. Lechner, University of Augsburg

Keywords: *authenticity, emotional labor, choice, customer satisfaction*

Description: *This study shows that restrictions in service provider choice eliminate the effect of frontline employee emotion authenticity on customer satisfaction.*

EXTENDED ABSTRACT

Research Question

Research finds that authentic positive emotion displays outperform inauthentic displays with regard to important customer outcomes. However, the busyness and complexity of many service encounters often make it impossible for the employees to successfully regulate their emotions. In addition, customers do not necessarily perceive and appreciate the employee's extra effort. Given this apparent dilemma, this study investigates a novel boundary condition of the authenticity-customer satisfaction effect. The moderating role of service provider choice, that is, the ability to select a service provider is investigated. Service provider choice is an important concept, as it is prevalent in many services industries, yet, often restricted. Restrictions in service provider choice may originate from, for example, budgets, business hours, consumption goals, or distance to service providers. Hence, perceptions of service delivery and outcome evaluations will be dependent on service provider choice.

Method and Data

The author conducts a laboratory experiment with a student sample (full-service restaurant) and an online experiment with a non-student sample (massage studio) to establish the effect and to test the psychological process. The experiments employ a 2 (authenticity: high vs. low) x 2 (service provider choice: choice vs. no-choice) randomized between-subjects design. Study 3, a laboratory experiment with a student sample in the

hotel industry, employs a 2 (authenticity: high vs. low) x 2 (feedback sign: present vs. absent) randomized between-subjects design in the no-choice condition to test whether cognitive resource demands can reverse the mitigating effect of absent service provider choice. Authenticity is manipulated using established manipulations from Lechner and Paul (2018) and Houston, Grandey, and Sawyer (2018). For the service provider choice manipulation, the established manipulation of Botti and McGill (2011) is adapted to service contexts. The feedback sign manipulation is created for this study.

Summary of Findings

In three studies, this research presents evidence for the moderating role of service provider choice in the authenticity-satisfaction relationship. In particular, Study 1 shows that the effect of frontline employee emotion authenticity on customer satisfaction is eliminated when service provider choice is absent due to lacking availability and preselection based on customer ratings. Study 2 replicates this effect and shows that this effect is driven by a double mediation of rapport and customer orientation. Study 3 shows that the mitigating effect of restricted service provider choice can be reversed by increasing customers' cognitive resource demands.

Key Contributions

This study is the first to investigate service provider choice as a boundary condition of the frontline employee emotion

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authenticity-customer satisfaction relationship. Service provider choice is of high importance as it is commonplace in many service industries, yet, very often restricted. This study contributes to the emotional labor literature by introducing choice as a novel boundary condition. Furthermore, this research also sheds light on the underlying psychological process and thus adds to the extant knowledge of bound-

ary conditions of emotion authenticity. This study is relevant for service managers and service designers and provides practitioners with a hands-on solution to the mitigation of the authenticity effect when service provider choice is restricted.

References are available on request.

Perceived Service Quality in Islamic Banks: A Scale Development Approach

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Keywords: *SERVQUAL, service quality, Islamic banks, factor analysis*

EXTENDED ABSTRACT

Research Question

The purpose of this study is to modify the service quality scale (SERVQUAL) for measuring the performance of Islamic banks after modifying and validating it to fit the Islamic banking context. Given the increased demand on Islamic banking transactions as it is evident in both Muslim and non-Muslim countries as well as the specific different nature of this type of banking as compared to conventional banking, confirms the importance of this rising phenomenon and presents many research opportunities.

Method and Data

This study adopted a mixed methods approach in order to measure the service quality of Islamic banks and their influence on customer satisfaction and attitude towards Islamic banks. Qualitative research in the form of focus groups have been conducted. Three focus groups were conducted each consisting of approximately six participants each from different Islamic banks in Egypt or banks that have Islamic banking sections/divisions. Participants were conveniently selected. Specifically, managers and experts of Islamic banking from the following banks: Bank Misr (Islamic finance department), Abu Dhabi Islamic Bank, United Bank of Egypt, Baraka Bank (Egyptian Saudi finance bank), Faisal Islamic Bank of Egypt and Misr Iran Development Bank.

The main objectives of the focus groups was to assess the five SERVQUAL dimensions (Tangibility, Reliability, Assurance, Empathy and Responsiveness) in terms of their relevance in measuring perceived service quality in Islamic banks as well as re-phrasing and modifying the scales used to measure the agreed upon dimensions. The results of the focus groups were recorded separately and then collated to

identify commonalities among participants. Transcripts were transcribed, coded (initial and focused) then analyzed and mapped into the different service quality dimensions.

Summary of Findings

Transcriptions from the three focus groups were analyzed using initial and focused coding techniques. This resulted in developing 22 statements for measuring the five different dimensions of service quality in Islamic banks that included tangibles, reliability, empathy, and assurance and replaced responsiveness with “devotion.” Factor analysis results indicated the significant convergent and discriminant validity of scales after modification to fit Islamic banks. The term devotion is very similar to the “compliance to Shariah” dimension that has been added by Othman and Owen (2001) that proposed a service quality measurement called CARTER for Islamic banks. However, devotion in this context as suggested by Islamic bank managers and experts involves much more than just compliance to Islamic law; it is a total commitment to the client and encompasses developing a mutual trust relationship with the client.

Another important finding from the focus groups is the modification and rephrasing of the other 4 SERVQUAL dimensions (tangibility, assurance, empathy and reliability) to fit the Islamic banking context. For example, ensuring that the bank clearly complies with Islamic laws has been added to the reliability dimension and that employees have sufficient knowledge about Islamic banking instruments has been added to the assurance dimension. There is vast evidence in the literature that the dimensions of the SERVQUAL depend upon the type of industry under study as well as the cultural context (Babakus and Boller, 1992; Gayatri et al., 2011; Jabnoun and Khalifa, 2005; Sangeetha

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and Mahalingam, 2011). Accordingly, there is a need to modify or add dimensions to the original model of SERVQUAL as this study has attempted to do.

Key Contributions

After the 25th of January revolution, there has been a significant rise of Islamic banking and finance in Egypt. However, this trend is still considered in its growth stage in Egypt compared to other countries specifically in the Gulf and parts of Europe where Islamic finance and banking is very well established and understood amongst vast amounts of both Muslims and non-Muslims. Thus understanding points of weakness and strengths through analyzing the SERVQUAL scale dimensions is essential for Islamic banks as well as the perceptions of current clients about the service quality delivered by such banks. This paper shows that the

SERVQUAL after modifications is valid and reliable in the Islamic banking industry in Egypt. Based on this study and other studies cited, it appears that future research on Service Quality should involve the development of industry specific measure of service quality. Furthermore, much of the previous research on Islamic banking has been descriptive in its nature. This study contributes to the existing literature by using qualitative research to modify the SERVQUAL scale to measure service quality in Islamic banks. The study introduces a new dimension to the SERVQUAL scale namely “devotion” that has been validated using both qualitative and quantitative techniques. Islamic banks need to devise strategies to strengthen this dimension due to its strong impact on customer perceived service quality.

References are available on request.

How Rewarding Is Your Reward Program? Experiential vs. Material Rewards

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Keywords: *experiential reward, material reward, loyalty program, customer loyalty, reward type*

Description: *This study investigates whether experiential and material rewards lead to different attitudinal and behavioral customer loyalty outcomes.*

EXTENDED ABSTRACT

Research Question

The design of loyalty programs has proven to be a key factor in the success of loyalty programs and how customers respond to these programs. Building on suggestions in the literature that loyalty programs must evolve to be more customer-centric through providing a more complete set of tangible and experiential rewards (Kumar and Shah 2004), we develop the most comprehensive study to date to understand how experiential rewards can impact customer evaluations of a firm upon both initial exposure and following redemption and differentially change their purchase behavior. In doing so, we demonstrate that the type of rewards (experiential vs. material) matters. We explore if experiential rewards (e.g., a wine tasting event) and material rewards (e.g., a set of wine glasses) lead to different evaluation of a loyalty program and induce different behavioral loyalty responses.

Method and Data

The paper has a multi-method approach: Firstly, we run a series of lab studies to explore the effect of reward type (material vs. experiential) on participants' attitudinal and behavioral loyalty. Secondly, we supplement the findings from our lab studies with a field study, in which we offer customers a range of experiential and material rewards and observe their reward choice, redemption and purchase behavior.

Study 1 tests our main premise that experiential rewards options lead to higher level of consumers' loyalty intentions and better attitude towards the firm. Study 2 demonstrates the mediating role of expected conflict utility on the effect of

reward type (experiential vs. material) on customers' response. Study 3 explores the moderating role of the rewards size (small vs. large) on customers' response to material vs. experiential rewards. Study 4 is a field study with a local beauty salon. This salon has never had any reward programs before. For this field study, customers were offered material reward options (e.g. deep-conditioning hair mask) and experiential reward options (e.g., manicure) at three different tiers. We ran this field experiment for a month, and observed customers' reward choice, redemption, and pre- and post-treatment purchase behavior.

Summary of Findings

The result of study 1 shows that compared to the participants who were offered material rewards, the participants who were offered experiential rewards were significantly more inclined to engage in WOM about the store, had more positive attitude toward the and viewed these rewards and the loyalty program in general as more valuable. Study 2, replicated the result of Study 1 and demonstrated that the positive effect of experiential (material) rewards options derive from consumers' lower (higher) levels of anticipatory utility conflict. Study 3 provides support for consumer's overall preference for experiential rewards, whether they are big or small. Our results also indicate that consumers will have much higher intentional loyalty and will value rewards the most when they offered big experiential rewards. Interestingly, there were no significant differences between the small experiential rewards and the big material rewards regarding likelihood of future purchases and rewards' perceived value. Study 4 provides empirical support for our lab

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experiments. The results of the field study shows that customers who chose an experiential reward were more likely to increase their effort to become qualify for that reward. They were also more likely to redeem their reward and spend more at the salon post redemption.

Key Contributions

This paper aims to expand our knowledge on the impact of reward type on customers' responses to loyalty programs. Our results show that experiential rewards are more effective than material rewards in driving customer loyalty and positive behavioral responses. We find that experiential rewards lead to more favorable attitude toward the reward program.

Customers who received an experiential reward were more likely to engage in positive word of mouth and were more likely to continue shopping toward future rewards. Interestingly, we found no significant difference between customers' responses to small experiential rewards and big material rewards regarding the likelihood of future purchases and rewards' perceived value. Our finding implies that marketers can offer smaller, less costly experiential rewards and yet enjoy the same level of behavioral loyalty and favorable evaluation of the loyalty program as when they offer customers large material rewards.

References are available on request.

Negative Effect of Vividness on Choice of Indulgent Food

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Keywords: *vividness, indulgent food, health motivation, motivated reasoning*

Description: *This work examines how health-motivated individuals are influenced by vividness of indulgent foods in the restaurant menu.*

EXTENDED ABSTRACT

Research Question

The current research explores how vividness of menu can impact the desirability and consumption likelihood of indulgent foods. The effects of menu vividness only occur when consumers are motivated to be healthy, and hence experience the conflicting goals of eating tasty versus healthy foods.

Method and Data

We measured consumption intention and food choice as primary DVs from five experiments. ANCOVA and Probit Regression were used to analyze the data. We collected data through Amazon Mechanical Turk or in a behavioral lab in a large midwest University. We used various takes to prime health motivation such as a sentence unscrambling task, reading an obesity article and magazine. Vividness was also manipulated by two different ways such as the presence or absence of food images in the menu and color versus black and white. In the study, participants were shown a dessert menu. In Study 1, participants completed the goal conflict scale on a single item and rated anticipated guilt on six items. Consumption intention was assessed on two items. In other studies, participants were asked to choose a food from the menu or their consumption likelihood. Participants responded to several control measures including anticipated shame, hunger, and health concerns, all of which were included as covariates in the further analyses across all studies.

Summary of Findings

Across five experiments, we find that when consumers are primed with the motivation to be healthy, the same dessert

presented less vividly versus vividly increases consumption likelihood. This is driven by significant drops in goal conflict and the anticipated guilt associated with consuming indulgent foods. Importantly, this effect disappears when another means of justification to indulge is present such as containing healthy attributes. These results unite work on vividness effects, motivated reasoning, and guilt orientation, suggesting that consumers reduce goal conflict and the anticipated guilt associated with less vividly presented indulgent foods to justify their consumption.

Key Contributions

This study examines the negative effect of vivid food presentation in the menu on consumer choice of indulgent food depending on varying levels of consumers' health motivation. The study expands the scope of prior literature by providing a theoretical explanation of the vividness effects when they are studied in relation to motivation factors. While prior vividness research has largely conceptualized the vividness effects based on the cognitive elaboration and/or from the availability-heuristics perspective, the current study explains the vividness effect by combining the availability-valence perspective with consumer motivation. Our findings demonstrate the dynamic consequences of including vivid representations of indulgent food options in the menu among people with differing health motivations.

References are available on request.

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How Does It Fit? Exploring the Relationship Between Customer Ratings, Retailers' Return Policy, Pricing Strategies, and Customer Purchase Intentions

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Pramod Iyer, University of Texas Rio Grande Valley

Amaradri Mukherjee, Portland State University

Keywords: *retailing, service strategy, return policy, cue congruency, consumer evaluation*

Description: *This study broadens the understanding on factors affecting customer purchase intentions by studying interacting effects of different perceptions formed by different market cues.*

EXTENDED ABSTRACT

Research Question

This study addresses the following research questions: (1) How does return policy interact with other product and retailer level cues in influencing consumer decision making? and (2) What is the underlying mechanism that transfers the effects?

Method and Data

Two between-subjects experiments were carried out to empirically test the hypotheses. Study 1 was a 2 (Reviews: Positive vs. Negative) × 2 (Return Policy: Stringent vs. Lenient) between-subjects design. The study 2 was a 2 (Return Policy: Lenient vs. Stringent) × 2 (Discount Size: Low vs. High) between-subjects design experiment. Participants were recruited through Amazon Mechanical Turk (MTurk) for the study.

Summary of Findings

Results across two studies indicate that customer ratings and discount sizes interact with return policy, ultimately influ-

encing quality perception and purchase intention. Furthermore, quality perception mediates the relationship between return policy and purchase intention.

Key Contributions

From a theoretical perspective, this study adds to extant literature by providing a more comprehensive framework to assess the role of return policies in influencing customer decision making. The joint effect of return policy strategies and other cues also shed light into our understanding of how customers view return policy in conjunction with other factors. From a managerial perspective, the current study provides insights for retailers to balance the leniency of return policy with customer retention and profitability.

References are available on request

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The Asymmetric Forgiveness Toward Brand Status (Underdog vs. Top-Dog) Upon Brand Crisis Types (Relational Crisis vs. Non-Relational Crisis)

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Keywords: *underdog, underdog effect, service failure, forgiveness, anger, brand crisis, forgiveness intention*

EXTENDED ABSTRACT

David and Goliath has been often quoted as a metaphor of underdogs and top-dogs. Previous literature has found that people have positive attitudes toward underdogs based on strong identification and justice concern (McGinnis and Gentry, 2009). The favorable attitudes toward the underdogs are referred as *underdog effect*. People consider underdogs as higher in warmth and top-dogs as stronger in competence (Goldschmied and Vandello, 2009). However, recent research suggested that *underdog effect* can be weakened in some conditions: when consumers find little self-relevance with the underdog (Kim et al., 2008), or when underdog's poor performance is attributed to its insufficient effort (Vandello, Goldschmied, and Richards, 2007). In this research, we anticipate that *underdog effect* would be attenuated in relational failure, where perceived warmth and relationship efforts are particularly important. Therefore, we anticipate that people will express less forgiveness intention on underdog brands when the crisis are service failure (vs. product failure), service process failure (vs. service outcome failure), and human service process failure (vs. non-human service process failure). Moreover, we expect that anger will mediate the effect of relational failures on forgiveness intention on underdog brands but not on top-dog brands.

Study 1 and 2 were devised as 2 (brand crisis: product vs. service) \times 2 (brand status: underdog vs. top-dog) between-subjects design. After manipulated by reading brand biographies, participants were also presented with a brand crisis

scenario. Study 2 was designed with the same manner as study 1 but the crisis scenario was described in a more detailed way. In study 1, 2 \times 2 ANOVA on forgiveness ($\alpha = .753$) revealed a significant two-way interaction ($F(1, 116) = 11.194, p = .001$). For the under-dog brand, service failure ($M = 2.683$) produced significantly less forgiveness intention than product failure ($M = 4.023; t(116) = 6.045, p < .001$). However, in the case of product failure, underdog ($M = 4.023$) achieved higher forgiveness intention than top-dog ($M = 2.772; t(116) = -6.301, p < .001$). In study 2, a two-way interaction of 2 \times 2 ANOVA on forgiveness ($\alpha = .855$) was significant ($F(1, 146) = 4.415, p = .037$). For the under-dog brand, service failure ($M = 2.371$) produced significantly less forgiveness intention than product failure ($M = 3.910; t(146) = 6.888, p < .001$) and in the case of product failure, underdog ($M = 3.910$) achieved higher forgiveness intention than top-dog ($M = 3.005; t(146) = -4.138, p < .001$).

Study 3 was designed to consider additional factor by using a 2 (service failure: process vs. outcome) \times 2 (brand status: underdog vs. top-dog) between-subjects design. A 2 \times 2 ANOVA on forgiveness ($\alpha = .814$) indicated a significant two-way interaction ($F(1, 177) = 11.060, p < .001$). For the under-dog brand, service process failure ($M = 2.636$) produced significantly less forgiveness intention than outcome failure ($M = 3.412; t(177) = 4.360, p < .001$). Moreover, in the case of outcome failure, underdog ($M = 3.412$) achieved higher forgiveness intention than top-dog ($M = 2.131; t(177) = -6.351$).

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$p < .001$). Furthermore, a moderated mediating role of anger on forgiveness was significant (95% CI $-.7596, -.0788$) with a bootstrapping technique and conditional indirect effect was significant only for underdog ($\beta = .1195$, 95% CI $[-.5625, -.0851]$).

Keeping pace with development of technology, nowadays not all the services are delivered by human. Look around and you can see many machines are replacing the service jobs. The typical example would be kiosks in the airport or movie theater. Therefore, in study 4, we investigated whether human factor in service process failure might play an important role that affects brand attitudes. In study 4, a 2 (service process failure: with human factor vs. without human factor) \times 2 (brand status: underdog vs. top-dog) ANOVA on forgiveness ($\alpha = .814$) revealed a significant two-way interaction ($F(1, 155) = 10.468$, $p = .001$). For the under-dog brand, human process failure ($M = 2.475$) produced significantly less forgiveness intention than non-human process failure ($M = 4.097$; $t(155) = 8.784$ $p < .001$). Also, in the case of non-human process failure, underdog ($M = 4.097$) achieved higher forgiveness intention than top-dog ($M = 3.105$; $t(155) = -5.373$ $p < .001$). This result supports our hypothesis that consumers will express less forgiveness intention when underdog causes service process failure with human factor

(vs. without human factor). However, consumers are more likely to be generous for the underdog (vs. top-dog) regarding the service process failure without human factor. Furthermore, a moderated mediating role of anger on forgiveness was significant (95% CI $[-.5822, -.0227]$) with a bootstrapping technique and conditional indirect effect was significant for both underdog ($\beta = .1230$, 95% CI $[-.8248, -.3425]$) and top-dog ($\beta = .0854$, 95% CI $[-.4666, -.1243]$).

In conclusion, we explored that even if people are identified with underdogs more than top-dogs, in relational domains where relationship efforts and perceived warmth of the brand are particularly critical, service failure caused by underdog brand is perceived seriously. These findings reveal a new condition when the *underdog effect* can be weakened. Compare to non-relational failure, people show more anger and less forgiveness intention to relational failure of underdog. Moreover, one important managerial implication is that industry marketers should consider their vulnerable points when they position the brand status. If a brand has weakness in relational service aspects, positioning the brand as an underdog would be dangerous since the *underdog effect* would be diluted in relational failures of the brand.

References are available on request.

Replicating Incidental Similarity with Multiple Service Providers and Multiple Shared Traits

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Keywords: *goal-relevant, incidental, similarity, information processing theory, service providers.*

Description: *This compares the effect of goal-relevant similarity with incidental similarity on choice of service provider and shows that, while both types increase likelihood of choosing a service provider, goal-relevant similarity has a stronger effect while incidental similarity tends to act as a “tie-breaker.”*

EXTENDED ABSTRACT

Research Question

Using a need for connectedness explanation, Jiang, Hoegg, Dahl, and Chattopadhyay (2009) demonstrated that incidental similarity, such as a shared birthday or hometown, induces the similarity-attraction effect in customer service settings. Nevertheless, the similarity-attraction effect is best explained by the information processing perspective, which suggests that people focus on traits that provide useful diagnostic information. Because customers actively seek to achieve their buying goals, when customers share multiple traits with a provider, characteristics that are relevant to achieving their buying goals—that is goal-relevant similarity—should be valued over shared traits that do not facilitate buying goals. For example, a woman selecting an OB/GYN may prefer a female doctor; hence, the doctor’s gender is goal-relevant similarity. Even if the woman had incidental similarity with a male doctor (e.g., a shared a birthday), the woman should still prefer the goal-relevant similarity and select the female doctor. Consequently, the purpose of this research is to explore the hierarchy of similarity traits from goal-relevant to incidental when customers choose among a group of service providers.

Method and Data

The research consists of four experimental studies. Study 1 replicated the original findings of Jiang et al.’s (2009) first

study using the same setting, personal fitness training, and similar procedures. The sample consisted of 61 students taking an introductory marketing class. The study was conducted in two parts. First, information was collected about the respondent including their birthday. At least one week later, students were shown a brochure of a personal fitness trainer who randomly shared or did not share a birthday. Study 2 used similar procedures except that 94 respondents were shown two pictures, a male and a female trainer. The respondents were randomly selected to either share or not share a birthday with the female trainer. Interviews and online searches showed that people believe gender is goal-relevant for personal training. Then respondents chose between the two trainers, representing goal-relevant versus incidental similarity for male respondents. Using a sample of 136 students, Study 3 evaluated the effect of diagnosticity due to sharing a gender and sharing a birthday on choice of trainer. Finally, Study 4 investigated the hierarchy of similarity effects by asking 182 respondents to choose between four personal trainers, two male and two female, with the respondent sharing a birthday with one of them.

Summary of Findings

Consistent with the findings of Jiang et al. (2009), respondents who shared a birthday with a trainer had a more favor-

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able attitude, had a higher intention of enrolling in the program, and felt a stronger connection with the personal trainer. However, in Study 2, when asked to choose between a trainer with goal-relevant similarity (gender) and another with incidental similarity (a shared birthday), respondents were more likely to select the same-gender trainer, regardless of whether they shared a birthday. This was explained by the findings of Study 3 which demonstrated that a shared gender was more diagnostic than a shared birthday. Finally, Study 4 showed that respondents were more likely to choose one of the same gender trainers even if they shared a birthday with an opposite gender trainer. However, when they shared a birthday with a same-gender trainer, they were more likely to select that particular trainer.

Key Contributions

This research shows how the information processing theory and customer's need for connectedness work together in the presence of multiple common traits. A primary theoretical

implication of our research is that similarity has a hierarchical impact on service provider preference, beginning with the most goal-relevant characteristics. The subset of providers sharing goal-relevant characteristics are then further grouped by less goal-relevant characteristics until the final choice is made. Our hierarchical conceptualization helps explain some of the inconsistent findings in the sales and service literature related to similarity-attraction based on demographic similarity. The extent to which demographic characteristics lead to the similarity-attraction effect depends upon whether there are more goal-relevant forms of similarity than the shared demographic characteristic being studied. Finally, the results highlight the importance of study context by showing how the effectiveness of a particular shared characteristic (i.e., shared birthday) changes when more than one service provider and more than one shared characteristic are considered.

References are available on request.

Corporate Good Deed: Should I Forgive Your Service Failure?

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Keywords: *service failure, service recovery, forgiveness, corporate social responsibility, warmth and competence*

Description: *We investigate the effectiveness of CSR in influencing consumer forgiveness following a service failure. The results suggest that CSR has a direct positive effect on forgiveness and is mediated by perceived warmth toward the firm.*

EXTENDED ABSTRACT

Research Question

When consumers are more forgiving of a firm's service failure, it helps to restore their strained relationship with the firm (Beverland, Chung, and Kates, 2009; Chung and Beverland, 2006). Previous research suggests that CSR may increase consumer forgiveness in the event of service failure, but forgiveness is dependent on the type of relationship with the firm (i.e. communal as opposed to exchange) (Bolton and Mattila, 2015) and congruency between the customer's values and the firm's values (Joireman, Smith, Liu and Arthurs, 2015). Nevertheless, without such facilitating conditions, is CSR effective in engendering positive consumer responses? Drawing on the forgiveness literature (McCullough, 2001; McCullough, Pargament and Thoresen, 2000; Worthington, Sharp, Lerner and Sharp, 2006), this research argues that CSR directly and positively affects consumer forgiveness. The study also provides further understanding on how a firm's CSR affects consumer forgiveness.

Method and Data

Two experimental studies were conducted using a between-subjects design. The respondents from both studies answered questions based on hypothetical scenarios. Study 1 examined whether a firm's CSR influences consumer forgiveness. Sixty-one masters level students (45.9% male, $M_{age} = 30-39$ years) were recruited for this study. Respondents in the CSR condition read the scenario that included the hotel's CSR program (financial assistance for underpriv-

ileged children) as part of its background while the control condition did not mention any CSR program. Respondents were asked to imagine themselves in a scenario which depicted a service failure (faulty access card) and completed measurements on forgiveness.

Study 2 replicated the observed effects of CSR on forgiveness and examined the mediating effect of warmth by using another type of service and failure scenario. Seventy-three respondents who resided in the United Kingdom (49.3% male, $M_{age} = 40-49$ year) were recruited through Prolific online panel. Similar to study 1, respondents in the CSR condition read the scenario which included the restaurant's CSR program (financial assistance for single mothers and orphans), and the control condition did not include any CSR program. Respondents were asked to imagine themselves in a scenario which depicted a service failure (inattentive service staff) and completed measurements on forgiveness, perceptions of warmth and competence of the firm.

Summary of Findings

The results show that in the event of a service failure, a firm's CSR has a direct impact on consumer forgiveness. Specifically, CSR reduces consumers' negative motivations (i.e., seeking avoidance and revenge), and increases positive motivation (i.e., benevolence) toward the firm. In addition, perception of the firm's warmth plays an important role in explaining how a firm's CSR reduces consumers' avoidance, and increases their benevolence toward the firm.

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Notably, although consumers' avoidance and benevolence are dependent on perceived warmth, the motivation for revenge is not. The service scenario used for the study may not be sufficiently severe to trigger consumers' anger to seek revenge, but enough to evoke anger to increase avoidance and decrease benevolence. The result indicates a lower degree of revenge as the mean scores are below 3.3 ($M_{\text{NoCSR}} = 3.27$, $SD = .97$; $M_{\text{Philanthropy}} = 2.50$, $SD = 1.02$), suggesting that when the severity is insufficient to evoke greater revenge, forgiveness may not rely on warmth. The significant main effect of CSR on revenge suggests that consumers are less vengeful toward socially responsible firms than non-socially responsible firms.

Key Contributions

This research advances prior research by suggesting that a firm's CSR itself is sufficient to strengthen consumer forgiveness, by reducing consumers' avoidance and revenge, and by increasing their benevolence. In particular, it is not necessary to ensure that the firm's CSR matches the type of relationship with its customers (i.e. communal as opposed to exchange) (Bolton and Mattila, 2015) nor is it necessary to ensure there is congruence between the firm's CSR values and customer values (Joireman, et. al., 2015).

In addition, a firm's CSR enhances consumers' perception of the firm's warmth, thus increasing the likelihood to forgive the socially responsible firm when there is service failure, suggesting a firm's warmth is more important than competence in the event of a service failure. This result is consistent with Bolton and Mattila's (2015) study, which found that CSR improves satisfaction and loyalty intentions for consumers who hold communal relationship norms by signaling warmth. Nonetheless, our findings show that regardless of the type of relationship, CSR still protects firms from service failure by signaling warmth, subsequently strengthening consumer forgiveness.

This study suggests that a firm's CSR can act as a proactive strategy (i.e., initiating before a service failure), especially when providing service recovery is impossible, such as when customers do not complain to the service provider. Service firms should publically convey the importance and benefits of their CSR programs in order to engender consumer's perceived warmth.

References are available on request.

Earning Consumers' Forgiveness in Service Failures: Roles of Emotion, Money, and Power

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Keywords: *service failure, service recovery, power, fairness*

EXTENDED ABSTRACT

Research Question

If a product or service causes consumers to have negative feelings, a service failure has occurred (Hess, Ganesan, and Klein 2003; Roschk and Kaiser 2013). However, consumers' forgiveness as a coping strategy has been largely overlooked in business settings (Tsarenko and Rooslanı 2011). As an important factor in consumer responses to service encounters, power should play a significant role in consumers' forgiveness when they respond to recovery strategies (Rucker et al. 2012). However, prior research has paid little attention to the effect of power in service recovery. First, we examine which service recovery type (emotional vs. economic) would be more effective in achieving consumers' forgiveness. Second, whether different recovery strategies (emotional vs. economic) with different degrees of power determine the tendency to forgive the service failure caused by brands.

Method and Data

In study 1, we manipulated service recovery strategies in the context of airline delay. As predicted, the results show that those who received emotional recovery showed more forgiveness ($M = 5.13$, $SD = 1.36$; $N = 45$) than who received economic recovery ($M = 4.17$, $SD = 1.78$; $N = 42$; $p < .01$). A mediation analysis using model 4 showed that the 95% confidence interval (CI) for the indirect effect did not include zero (5,000 samples, indirect effect = .32, 95% CI, .14-.97) (Hayes, 2013). We conducted a field study as study 1B to test the robustness of the effect in a real-world setting in a fast food restaurant. When consumers face a slight delay situation with the dishes they ordered, the service employee

offered emotional or economic recovery. The results showed that consumers in the emotional recovery group ($M_{emotional} = 4.93$, $SD = 1.21$; $N = 28$) are significantly more forgiving than those in the economic recovery group ($M_{economic} = 3.73$, $SD = 1.00$; $N = 26$; $F(1,52) = 15.48$, $p = .000$). In study 2, we manipulated power and service recovery in the context of an online store. Importantly, the results indicate serial mediation for the high power condition, and the results indicate mediation of the empathy for the low power condition.

Summary of Findings

Across the three studies, we show our basic effect that emotional recovery and economic recovery can elicit consumers' forgiveness to a different extent, and emotional recovery is more likely to elicit consumers' forgiveness than economic recovery (study 1A and 1B). Importantly, we replicate our main effect in study 2 with power as the moderator. We illustrate that high-power individuals forgive companies through serial mediation of fairness and empathy, while low-power individuals show forgiveness directly through empathy.

Key Contributions

Taken together, our findings contribute to understanding consumers' response to service recovery, as well as highlighting some practical implications for emotional recovery strategies in service marketing. We show that emotional and economic recovery can obtain different levels consumers' forgiveness. Importantly, we propose and test the intertwined effect of recovery and power on forgiveness, and reveal two different paths for high and low power consumers respectively, contributing to the power

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literature and fairness theory. Based on these findings, when facing high or low power consumers, companies should adopt different strategies to elicit their forgiveness. In managerial practice, companies should train their employees to focus on the importance of consumers' per-

ception of fairness when handling negative experience for high power consumers, while try to make low power consumers feel more cared and welcome.

References are available on request.

Impact of Recovery Efforts on Passengers' Negative Emotions Following Airlines Service Failures: An Attributional Approach

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Keywords: *airlines service failure, services marketing, attribution theory*

EXTENDED ABSTRACT

Research Question

This study aims determining the impact of controllability and stability attributions on negative emotions emerging following a service failure and attempts to determine whether these emotions differ across multi-causal situations by answering three research questions; (1) How do stability and controllability attributions impact negative emotions felt prior to any possible recovery efforts? (2) Do recovery efforts mediate the relationship between negative emotions felt prior to any possible recovery efforts and negative emotions felt after existence or non-existence of recovery efforts? (3) Do controllability and stability attributions impact negative emotions felt after existence or non-existence of recovery efforts? Method and Data In this research, 2 x 2 x 2 experimental design is employed, with two levels of stability attribution (stable versus unstable), two levels of controllability attribution (controllable versus uncontrollable) and two levels of recovery (recovery versus no recovery). 640 surveys were gathered from passengers

and factorial ANOVA was employed for data analysis. Key Contributions The current study's main contribution for the literature is introducing and verifying emotional state flow and for the practitioners is revealing the importance of recovery efforts via indicating that customers tend to lose blaming attitude when recovery efforts exist.

Summary of Findings

Results indicate that controllability and stability attributions have significant impact on negative emotions prior to recovery efforts, whereas passengers take stability of the failure into consideration only when the failure is attributed to be uncontrollable. Additionally, passengers show some understanding for uncontrollable airline service failures whether they are unstable or not. Moreover, when recovery efforts exist, passengers' negative emotions become more dependent on stability of the failure.

References are available on request.

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How to Respond When a Consumer Complains About Your Firm Online

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Keywords: *service recovery, apology, consumer complaint*

EXTENDED ABSTRACT

In today's socially connected world, consumers have the power to voice complaints about companies in a very public way. While researchers and practitioners have made numerous recommendations as to how to recover from a service failure, most of these recommendations have focused on appeasing the original writer of the complaint rather than on the readers of the complaint (i.e., the millions of individuals who did not experience the failure directly). This research examines how readers of online complaints look at a firm's response to a complaint and use this response to determine their likelihood of purchasing from that firm in the future.

Across two studies we find readers prefer cognitively-framed responses that focus on why the failure occurred and how the firm will avoid repeating it over affective recoveries which focus on the consumer's emotions. Cognitive recoveries decreased readers' perceptions of risk and were most effective when written in a concrete (versus abstract) manner.

Theoretical Background

When consumers experience a service failure, a firm can provide a recovery that is either cognitively or affectively framed. A cognitively framed response is one that is focused on the error: the process that led to it occurring and the steps that will be taken to correct it. This type of response tends to be more informational in nature and relies heavily on the compensation and information/explanation strategies. An affectively framed response is one that focuses on the consumer and his or her experience. This type of response is more emotional and utilizes the empathetic response strategy. Both cognitively and affectively framed recoveries are effective because they address consumer loss and

attempt to restore equity to the relationship between the firm and the customer (Adams 1965; Deutsch 1985).

Readers of reviews, however, do not experience the economic or social/emotional losses the failed consumer does and therefore will not look to recovery messages to restore equity. Instead, readers look to complaints and service recovery responses in order to reduce any risk associated with a decision they are trying to make about the reviewed firm/product (e.g., choosing a hotel, purchasing a product; King, Racherla, and Bush 2014; Kim, Mattila, and Baloglu 2011). A good strategy for reducing risk perceptions, is to provide explicit and direct information that allows consumers to predict what their experience will be like if they engage with the firm (Mitra, Reiss, and Capella 1999). Thus, a cognitive recovery may be better at reducing uncertainty and risk as it provides information about the failure, why it happened, and how the firm will avoid similar failures in the future. Furthermore, a cognitively framed recovery may also explain how a reader will be compensated if a similar failure affects them. This is in contrast to an affectively-framed recovery which is focused on reducing negative affect in the failed consumer and does not mention the failure or steps to avoid it from happening again. Thus, we propose readers will prefer cognitively framed recoveries over affectively framed ones.

The preference readers have for cognitively-framed recoveries may only hold true if the firm is responsible for the failure. When a failure occurs, it is natural for consumers to want to assign blame. One blame attribution consumers make is "who is responsible?" Researchers have identified this construct as the locus of responsibility (Tsiros et al. 2004; Weiner 1985). An internal attribution of blame occurs

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when consumers believe the firm had control over whether the failure occurred, while an external attribution will be made if consumers believe forces outside of the firm's control were responsible for the failure. When consumers believe a firm had the power to prevent a failure (i.e., an internal attribution), they are more likely to perceive the failure as unfair (Bies 1987; Folger 1986), be less satisfied with the event (Oliver and DeSarbo 1988), complain to the firm, issue warnings to others (Curren and Folkes 1987; Folkes, Koletsky, and Graham 1987; Richins 1983), and have higher expectations for service recovery (Folkes 1984; Kelley, Hoffman, and Davis 1993). In contrast, when consumers do not view the firm as responsible for the failure (i.e., make an external attribution), they are less likely to question the transaction (Bitner 1990; Widmier and Jackson 2002).

Locus of responsibility should be associated with risk perceptions. If a firm was not responsible for the failure, there is little risk in choosing to purchase from this firm as factors beyond the firm's control caused the failure. Thus, any response from the firm should be effective. If the firm is deemed to be responsible and capable of preventing the failure from happening, readers will most likely see this as a cue to riskiness. Thus, the firm must reduce risk perceptions in order to increase purchase intentions and recover from the failure.

Therefore we hypothesize:

H1: There will be an interaction between blame attributions and recovery such that after reading about a complaint where the locus of responsibility is internal, readers will indicate a higher purchase intention after viewing a cognitive recovery (vs affective). For complaints with external locus of responsibility attributions, we will see no difference in purchase intentions as a function of the recovery viewed.

Both locus of responsibility and recovery message framing are moderators of the reader service recovery process. Yet, the effect of recoveries targeted at the original complainers are often moderated by a whole host of factors (e.g., Bradley and Sparks 2012; Hess 2008). We believe this will also be true for recoveries viewed by readers of the complaints. Specifically, we believe the recovery specificity and firm reputation will have an effect on recovery efficacy by influencing the readers' risk perceptions. We also believe the medium by which the complaint is posted on (i.e., industry-specific or generalist) will be a significant moderator by influencing the readers' service recovery expectations.

As described earlier, consumers are motivated to manage their risk when making purchase decisions. To do so, they

often look for information to reduce uncertainty as to what would happen if they decided to purchase from a firm (Mitra, Reiss, and Capella 1999). The type and amount of information provided can influence the predictions a consumer will make as well as the confidence they have in these predictions. Specifically, providing more concrete information (as opposed to abstract information) should allow the consumer to feel more certain about future events and to feel more confident in their prediction of what will happen (Borgida and Nisbett 1977; Paese and Sniezek 1991; Peterson and Pitz 1988; Tsai, Klayman, and Hastie 2008). In reference to service recovery, a concrete, cognitively framed recovery that provides clear information about the failure and detailed steps the firm will take to prevent reoffending should allow a consumer to confidently predict whether a failure will repeat itself. Confidence in this prediction should reduce feelings of risk. Conversely, providing abstract information will most likely lead to less confidence in the consumer's prediction and therefore higher perceptions of risk. However, this may only be true if the firm is viewed positively and the information they provide is trusted by the consumer. One cue to firm trustworthiness is its reputation.

Trust can be defined as a consumer's confidence or willingness to rely on a firm. It is an important construct as it allows consumers to make predictions regarding the likelihood that a firm will follow through on promises (Moorman et al., 1992; Rempel et al., 1985). In terms of service recovery, trust reflects whether a consumer believes the promises and rhetoric of a provided recovery (Dunn and Schweitzer 2005). If consumers trust a firm they will be more likely to believe the recovery message provided and use this message when assessing how risky it is to interact with the failing firm. If a consumer does not trust the firm, then the recovery message provided may fall on deaf ears and will be weighted less heavily by the consumer when predicting firm riskiness (DeWitt, Nguyen, and Marshall 2007; Morgan and Hunt 1994).

Trust is typically built by accumulating knowledge about a firm through direct experience, however readers do not have direct experience with the failing firm and therefore will assess the trustworthiness of a firm through indirect experience by using online reviews. When using online reviews to assess trustworthiness, one important cue a reader can use is the firm's reputation (Butler 1991, Johnson and Grayson 2005). A firm's reputation refers to how positive or negative a consumer's perception of the firm is. In online reviews this is typically represented by a star rating or grade given by writers (Sparks and Browning 2011). The importance of a firm's online reputation has been supported in several studies where researchers have found a positive association

between reputation and business performance (e.g., Sparks and Browning 2011; Ye, Law, and Gu 2009)

We propose an interaction between recovery specificity and firm reputation such that a more concrete recovery will provide a boost in purchase intentions for firms with good reputations. As discussed above, readers will trust a firm (and its recovery message) with a good reputation more than a firm with an inferior reputation. This trust will be used to make predictions about the firm's future behavior and assess how risky it would be to purchase from this firm. If a firm with a good reputation provides a more detailed response (i.e., a concrete recovery), the reader is provided with more information to base their risk assessment off of and should feel more confident in their assessment. This will not be the case for firms with inferior reputation as the reader will not fully trust the recoveries provided (whether abstract or concrete) and will therefore be less likely to heavily rely on the recovery to make risk assessments. Thus, we hypothesize:

H2: There will be an interaction between reputation of the firm and concreteness of the recovery such that firms with a good reputation will get a boost in purchase intentions if they provide a concrete recovery, while there will be no difference in purchase intentions for firms with an average reputation as a function of the recovery viewed.

While testing our hypotheses, we also consider how expectations can be formed through previous experiences. Specifically, we believe readers who have engaged in online complaining in the past (or would engage in online complaining) may have different service recovery expectations than those who would not. Therefore, across both of our studies, we chose to control for individual differences in complaint tendency.

Study 1

The study utilized a 2 (blame attribution-internal to firm or external to firm) x 2 (recovery type-cognitive or affective) between-subjects design. The complaint described a situation in which the consumer had to wait a significant time to check into a hotel only to learn the hotel could not find the reservation. This issue took 45 minutes to solve and either placed the blame internally on the firm or on an external source. Next, participants were asked to read a message they were told was posted by the firm after the firm had seen the original complaint. Participants then read either (1) a cognitively framed recovery message that included information, explanation and compensation or (2) an affectively framed recovery message that included an empathetic response. Participants then reported their purchase intentions and individual complaint tendency.

Results

We ran an analysis of variance (ANOVA) with blame attributions and recovery type as the independent variables, purchase intentions as the dependent variable, and complaint tendency as a covariate. The overall ANOVA results are presented in Figure 2. There was no main effect of blame attribution ($F(1, 134) = .248, p = .62$; $M_{Vindictive} = 3.34, M_{SupportSeeking} = 3.19$) or recovery type ($F(1, 134) = .783, p = .38$; $M_{Affective} = 3.13, M_{Cognitive} = 3.40$). There was a significant main effect of complaint tendency such that consumers who have the tendency to complain online after bad experiences report lower levels of purchase intentions ($F(1,134) = 9.87, p = .002$). As predicted, there was a significant interaction between blame attribution and recovery type ($F(1, 134) = 6.85, p = .05$). Follow-up contrasts reveal participants who read a vindictive complaint (internal attribution) preferred cognitive responses over affectively framed ones ($M_{Affective} = 2.99, M_{Cognitive} = 3.33, F(1, 134) = 4.00, p = .05$). There were no differences for participants who read support-seeking complaints (external attribution; $F(1, 134) = .595, p = .44$). These results support hypothesis 1.

Study 2

Study 2 utilized a 2 (firm reputation-good or moderate) x 2 (concreteness of recovery-concrete or abstract) between-subjects design. Participants read the complaint used in Study 1. To manipulate reputation, participants either read this complaint was written about a hotel with a 5-star rating or a 3-star rating. Next, participants were shown a message they were told was posted by the firm in response to the complaint. Participants were shown either 1) a concrete cognitively framed recovery message that included specific steps the firm was going to take to correct the issue or 2) an abstract cognitively framed recovery message that indicated the firm would be taking corrective steps. Participants then reported their purchase intentions, risk perceptions, and individual complaint tendency.

Results

We ran two analyses of variance (ANOVA) with purchase intentions and risk perceptions as the dependent variables with complaint tendency as a covariate. For purchase intentions, there was a marginal main effect of reputation such that purchase intentions were higher for firms with good reputations ($F(1,164) = 3.23, p = .07$; $M_{Good} = 4.00, M_{Moderate} = 3.43$). Purchase intentions were also higher when participants received more concrete (versus abstract) responses ($F(1,164) = 16.56, p = .00$; $M_{Concrete} = 4.24, M_{Abstract} = 3.24$). A main effect of complaint tendency was also found such that readers who have the tendency to complain online after bad experiences report lower levels of purchase intentions ($F(1,164) = 11.82, p = .001$). As predicted, there was a sig-

nificant interaction between the firm reputation and recovery concreteness ($F(2,164) = 3.70, p = .05$; see Figure 1b). Follow-up contrasts reveal 5 star hotels receive a boost in purchase intentions when they provide concrete (instead of abstract) recoveries ($F(1,164) = 18.35, p = .00$; $M_{Concrete} = 4.60, M_{Abstract} = 3.24$). There were no differences in purchase intentions for 3 star hotels ($F(1,164) = 2.24, p = .14$; $M_{Concrete} = 3.75, M_{Abstract} = 3.20$).

For risk perceptions, there was no main effects of reputation ($F(1,164) = .508, p = .48$) or recovery concreteness ($F(1,164) = 1.39, p = .24$). A significant main effect of complaint tendency was found such that consumers who have the tendency to complain online report lower levels of risk perceptions ($F(1,164) = 15.54, p = .001$). There was also a significant interaction between reputation and concreteness ($F(2,164) = 6.09, p = .015$, see Figure 1c). Follow-up contrasts reveal lower ratings of risk perceptions for good-reputation hotels that offer concrete responses ($F(1,164) = 6.82, p = .00$; $M_{Concrete} = 4.22, M_{Abstract} = 5.09$). No such difference was found for moderate-reputation hotels ($F(1,164) = .814, p = .37$; $M_{Concrete} = 4.98, M_{Abstract} = 4.67$).

To test the prediction that risk perceptions mediate the effect of the reputation x recovery concreteness interaction, we used a moderated mediation analysis with the bootstrap PROCESS macro method suggested by Hayes (2012). Specifically, using PROCESS Model 8 we estimated the conditional indirect effect of recovery concreteness on pur-

chase intentions through risk perceptions as the proposed mediator as well as the conditional direct effect of recovery concreteness on purchase intentions. The results showed that the interaction was significant in predicting risk perceptions ($t = -2.47, p < .05$) but not purchase intentions ($t = -.969, p > .10$). Risk perceptions significantly predicted purchase intentions ($t = -5.72, p < .000$). The moderated mediation analysis demonstrates that the effects of recovery concreteness were mediated by risk perceptions in the good reputation condition (with a 95% confidence interval excluding zero: $[-.69, -.11]$) but not in the moderate reputation condition (the 95% confidence interval included zero: $[-.13, .41]$). These results support hypothesis 2.

Discussion

Across two studies we find readers prefer cognitively-framed responses that focus on why the failure occurred and how the firm will avoid repeating it. Cognitive recoveries decreased readers' perceptions of risk and were most effective when written in a concrete (versus abstract) manner. This finding differs from work that looks at complaint writer recovery preferences where both cognitive and affective apologies are equally effective (Lazare 2005). From a managerial standpoint, our results suggest providing a cognitively-framed recovery as this type of response is received positively by both readers and writers of complaints.

Figures and references are available on request.

To Innovate or Not to Innovate? The Impact of Service Innovation on Customer-Based Brand Equity

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Keywords: *service innovation, knowledge management theory, service profit chain, customer-based brand equity*

Description: *this research proposed a conceptual framework to explain how service innovation affects external and internal service quality, further influencing customer-based brand equity.*

EXTENDED ABSTRACT

Research Question

Marketing scholars have focused largely on innovations with tangible products—technological innovation and new product development. Since the 1980s, there is a growing body of research that applies goods-centered approaches to address service-specific issues (Lusch and Nambisan 2015; Vargo and Lusch 2008). However, few studies focus on service innovation, which is the primary source of offering value propositions to benefit customers (Dotzel et al. 2013).

A “pro-change” bias (Rogers 1976), which assumes that “innovations are always good and should be adopted by everyone,” may be misleading in innovation research. Service innovation involves risk, just as does product innovation (Storey et al. 2016). Therefore, can we identify the mechanisms that underlie customers’ perception about service innovation? What can the firms do to improve the acceptance rate of such innovation? What is the positive and negative impact of this transformation if not managed well?

A review of literature indicates that important gaps still exist. To address these problems, this research explores different types of service innovation. Using knowledge management theory and the service-profit-chain model, we propose a conceptual framework to explain how service innovation could affect external and internal service quality, further influencing the customer-based brand equity.

Summary of Findings

First, we propose that introducing interactive service innovation has a direct positive impact on both external and internal

service quality. But these relationships are moderated by customer education. Specifically, when customer education is sufficient and accurate, it will enhance the positive relationship of interactive service innovation on external and internal service quality; when customer education is deficient or misleading, it will lead to the opposite effect and decrease external and internal service quality. Second, introducing supportive service innovation has a direct positive impact on internal service quality and an indirect positive impact on external service quality. But these relationships are moderated by the compatibility with organization’s prior knowledge. Specifically, when the level of compatibility is high, it will enhance the positive relationship of internal and external service quality; when level of compatibility is low, it will lead to opposite effect, and decrease internal and external service quality.

Furthermore, we posit that internal service quality and external service quality are positively related to customer-based brand equity. Service content moderates the relationship, such that the higher the service content, the more positive the relationship.

Key Contributions

The major contributions of this research are as follows. First, we develop a new perspective arising from knowledge management theory and the service-profit-chain model to form the conceptual foundation of our propositions, which considers the mechanisms that influence knowledge exchange and value co-creation. Second, we propose a dual-process model recognizing that service encounters involve both cus-

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tomers and firms to jointly update service processes and co-learn new service system. Third, we identify two important moderators, customer education, and compatibility with the organization's prior knowledge, which reveal that service innovation may act as a "double-edged sword" if not properly managed.

An interesting extension of this research would be to explore the boundary conditions of the model, as researchers have investigated several antecedents of external service quality.

The human resources literature also includes abundant research regarding internal service quality. For the sake of parsimony, we did not consider these factors. But it would be interesting to look at variables which might affect customer or employee perceptions of service quality, for example, customer expertise or customer involvement for external service quality, and employee commitment, supervisory orientations and salesperson goal orientation for internal service quality.

References are available on request.

Women Desire to Share More Than Men: Evidence from Shared Services Context

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Keywords: *desire, gender, sharing, shared services, sharing economy, shared economy*

Description: *This paper presents a research framework that explains people's desire to share in the context of shared economy.*

EXTENDED ABSTRACT

Research Question

We are what we desire. Our desires are constantly changing; once satisfied; they are replaced by new desires. Desires help shape our priorities, choices and actions. In the context of the sharing economy, these desires (access to material objects) can be fulfilled (Bardhi and Eckhardt 2012) easily. Desiring material objects have got socially instituted as necessities (Belk et al. 2000). What we desire are often influenced by our normative beliefs (e.g., friends and family). We often rationalize our desires in order to be socially acceptable (Belk et al. 1997). Belk et al. (1997) argued that desire and desired objects do differ between men and women. But no empirical study could be located to find evidence to support if men and women have different desires in general and particularly in the context of shared economy. Therefore, the key objective of our study is to explain desire to share, and whether and how desire to share could be contingent on gender. An understanding of what causes gender differences in desire to use shared service (e.g., Uber, Mobike, Airbnb and TaskRabbit) is valuable not only for sharing economy practitioners, but for scholars too who are interested to know if the sharing economy is actually gender biased.

Method and Data

A research framework was developed integrating the Theory of Trying by Bagozzi and Warshaw (1990) and Theory of Desire by Bagozzi (1992) to further explain factors influencing individual's desire to share. A total of 500 potential

respondents participated in the mall-intercept survey. Measures for all the constructs were drawn from the literature. Usable responses from 393 participants were analyzed using Partial Least Square-based Structural Equation Modeling (SmartPLS).

Summary of Findings

Prefactual attitudes towards success (feelings towards success, expectation of success and evaluation of success), attitude towards failure (feelings towards failure), attitude towards the process (feelings towards process) were found to influence individual's attitude towards using shared services. Similarly, we found attitude towards use, subjective norms and group norms significantly influence individual's desire for using shared services. We also found that gender moderates the relationship between attitude towards and desire for using shared services and conclude that women have stronger desire to share compared to men.

Key Contributions

Building on Theory of Trying and Theory of Desire, we developed a framework to further explain factors influencing individual's desire to share and found that desire to share services is contingent upon the participants' gender. Our study helps practitioners in the shared services context to better understand what factors influence men and women's desire for using shared services.

References are available on request.

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Don't Fight the Power: Employing Psychological Ownership to Increase Sharing Service Consumption

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Keywords: *sharing economy, access-based services, psychological ownership, dispossession*

Description: *We find that customers of access-based services can be guided to increase sharing service consumption (e.g. carsharing service) and relinquish sole ownership consumption of material products (e.g. car ownership), when psychological ownership towards the corresponding sharing service is being induced.*

EXTENDED ABSTRACT

Research Question

Sharing business models and material ownership are two available modes of consuming material products and hence often compete for consumers' spending capacity. Consequently, sharing service managers and public policy makers seek to understand how consumers can be guided towards sharing services consumption. Extant research revealed several antecedents of sharing services adoption (Moeller and Wittkowski, 2010; Schaefers et al., 2016; Lawson et al., 2016; Bardhi and Eckhardt, 2012; Habibi et al., 2016;), but also finds that consumers often largely stick to material ownership consumption (Hazée et al., 2017). This can be traced back, as we propose in the current research, to the importance humans assign to ownership (i.e. "the power of ownership"), which has been investigated by a rich body of research across various disciplines (e.g., Litwinski, 1947; Belk, 1988; Kostova, and Dirks, 2003; Richins, 2004).

In this research, building on psychological ownership theory, we demonstrate that customers of access-based services can be guided to relinquish sole ownership consumption of material products (e.g. car ownership) and increase sharing services consumption, when the sharing service, rather than the material product, is being perceived a possession (e.g. carsharing service).

Method and Data

We conducted three large-scale field studies (studies 1-3) and two online experiments (study 3-4). The field studies used a correlational design with a combination of single-item indicators and multi-item scales of measures for several constructs from existing scales and studies. The data was analyzed using partial least squares structural equation modeling (i.e. PLS-SEM; Hair, Ringle and Sarstedt 2011). In study 1 ($N = 439$) and study 2 ($N = 418$; replication study) we cooperated with a German-based business-to-consumer carsharing provider to collect data from its customers using an online survey. The results of studies 1-2 showed that our research model received correlational evidence via customers' self-reported data and actual usage data. Study 3 ($N = 196$) was conducted to test our model in the musicstreaming context and hence was designed to test for cross-sectional generalization of the results obtained in studies 1-2. The results of study 3 replicated the findings of studies 1 and 2. Study 4 ($N = 95$) and study 5 ($N = 120$) were conducted through an online panel provider to augment our results with experimental data by testing how service psychological ownership can be induced through manipulating relevant antecedent variables (i.e. intimacy, community belonging, and identity-relevance; Pierce et al., 2003).

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Summary of Findings

In essence, our findings suggest that when customers of access-based services (e.g. carsharing) develop psychological ownership towards the service, they consequently perceive the service as a substitute for the material possession provided by the service (e.g. owning a car), and finally reduce material ownership while increasing service consumption. These findings indicate that access-based services can psychologically satisfy the human need for ownership and consequently replace material objects therein.

Key Contributions

We shed light on the relation between material ownership and access-based consumption in order to advise managers how to actively guide consumers to forego material ownership consumption in favor of access-based consumption. These results will assist managers of sharing businesses to efficiently leverage the power of ownership feelings as opposed to fight against it order to promote their access-based service offers.

Furthermore, our study contributes to psychological ownership theory. More recently, researchers have started to explore the broad topic of services as a non-physical target of psychological ownership, e.g., in the context of digital services (Sinclair and Tinson, 2017; Karahanna, Xu, and Zhang, 2015). However, although the idea of “service psychological ownership” (Mifsud, Cases, and N’Goala, 2015) is conceptually grounded in existing research, empirical work is still lacking. Moreover, although psychological ownership theory suggests that ownership can be experienced towards non-physical entities, it yet remains unclear as to what extent these non-physical entities fulfill the need for possession in comparison to material objects. Given the importance of ownership on material possessions for humans, our research helps to understand why people forego material product ownership in favor to consume goods through sharing services and, as such, enhances our understanding of dispossession (Roster, 2011; Lastovicka and Fernandez, 2005; Albinsson and Perera, 2009).

References are available on request.

Success Factors for the Market Launch of Data-Driven Services for Manufacturing Companies: An Empirical Investigation

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ABSTRACT

Although data-driven services play a major role in future business models of manufacturing companies, the large number of newly invented data-driven services that fail shortly after launching implies that companies struggle with their market launch. This paper deduces success factors and examines these empirical factors with structural equation modeling.

Keywords: *service marketing, market launch, new service development, data-driven services, B2B*

Description: *The paper provides empirical results on key success factors of the market launch of data-driven services for manufacturing companies in B2B.*

Introduction

Nowadays, the manufacturing industry aims to deploy a professional service business as a powerful instrument used to stand out in highly competitive markets. Research literature refers to this as ‘servitization in manufacturing’ (Lightfoot, Baines and Smart 2013; Grönroos, Helle 2010; Gebauer et al. 2012; (Herterich, Matthias M., Uebernickel, and Brenner 2015). The rise of digitally connected products and digital data streams, which are based on sensors and connectivity being embedded in physical products, offers additional business opportunities for digital services in B2B markets along the product lifecycle, so called data-driven services (Nylén and Holmström 2015; Bullinger, Meiren, and Nägele 2015). Data-driven services are characterized by using data as a central resource for the service provision, e. g. machine sensor data such as vibration data of drilling machines, which is used as the basis for industrial services offered by OEM and independent service providers (Lee, Kao, and Yang 2014). Traditional manufacturers aim to avoid the strong price competition in traditional product markets. Instead, they start to offer data-driven services to their customers, such as condition monitoring, remote services, predictive maintenance as well as value-adding services like peer group product analyses. This results in minimized product downtimes and

increased margins of the service business for manufacturers (Paluch 2012; Herterich, Matthias, Uebernickel, and Brenner 2016; Huang and Rust 2013). Hence, these companies strive to embed new technical capabilities into their services business to develop and sell data-driven services to their customers. However, many companies struggle to launch industrial services successfully. Recent studies show that 43 percent of newly introduced industrial services fail within the first year after launching (Castellion and Markham 2013). Regarding digital products and services, studies show that 90 percent of e-service innovations in both commercial and industrial sectors fail, which is not surprising given that potential customers are confronted with high levels of perceived uncertainty and risk perception for digital services (Baumbach 2016). Especially data-driven service innovations and smart service systems fail more often than traditional services (Demirkan et al. 2015; Kuester, Konya-Baumbach and Schuhmacher 2018). One of the problems that arises with the new type of data-driven services is the fact that customers need to accept the general collection of potentially sensitive data. This collection process, which is a basic prerequisite for a successful smart service launch from a manufacturer’s perspective, can be a difficult or sensitive topic and requires a great deal of trust of the customers. This

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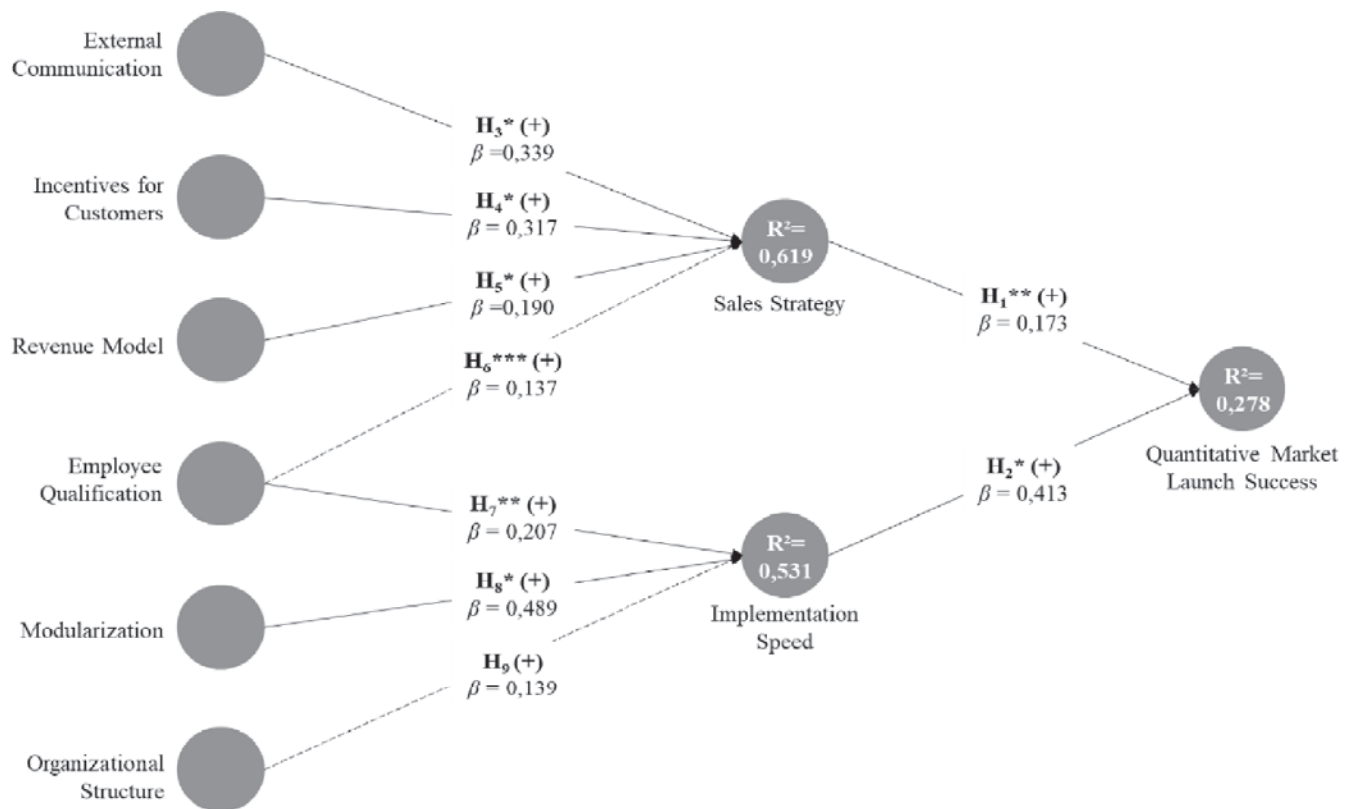
aspect differentiates the launch process significantly from the one of a classical service business (Herterich, Matthias, Uebnickel, and Brenner 2016, Porter and Heppelmann 2015). So far, there is only limited research available on the factors of success and failure of data-driven industrial services, although it is a growing field of interest (Demirkan et al. 2015; Heideneich and Handrich 2015; Kuester, Konya-Baumbach and Schuhmacher 2018). The presumed higher failure rate of data-driven service innovations shows how urgent the problem is and proves the importance of service marketing for the industry to solve it. Most manufacturers spend large amounts of their budget on the technical development of new services that end up being unsuccessful and at the same time, they disregard relevant service marketing activities. In the past, topics such as service marketing and innovativeness for digital services in the segment of B2C (Dotzel, Shankar and Berry 2013), success factors of product launch activities in the area of B2B companies (Ernst, Hoyer and Ruebsaamen 2010) and service quality and potential failures in B2C companies (Sivakumar, Li, Dong 2014) were the subject of many research activities. The subject of service marketing and market launching for industrial

data-driven services in B2B companies, however, has been largely neglected in the field of research so far. In this paper, we aim to provide new insight on this topic by investigating coordination and success factors for the market launch of data-driven services for manufacturing companies. In order to achieve this, the paper addresses the following research question: *Which factors have a significant influence on the successful market launch of data-driven services in the manufacturing industry?*

Conceptual Framework and Hypotheses

To increase the success rate of the market launch of data-driven services and, as a result, enhance the existing body of research on this topic, it is necessary to link existing approaches and variables of product and service marketing with IT-based service development. To do so, we build upon the state of research to derivate the conceptual research model, see figure 1. This overarching theoretical framework for measuring the key success factors in digital service innovation was built from existing literature on related topics, especially van Riel, Lemmink and Ouwersloot (2004) as well as Kuester, Homburg, and Hess (2012). Three dimen-

Figure 1. Conceptual Model and Hypotheses



*: Level of significance of <0,01 **: Level of significance of <0,05 ***: Level of significance of <0,1 ---> : Unconfirmed hypothesis

sions of particular interest to marketers were singled out for in-depth investigation, which are the dimension of quantitative market launch success (2.1), the dimension of key success factors (2.2) and the dimension of coordination factors for the market launch of data-driven services (2.3). Sections 4. and 5. summarize the derived hypotheses.

Quantitative Market Launch Success

Recent market launch literature is at strife regarding the measurement of market launch success, albeit the ones that agree on its general measurability seem to consider the adoption rate of a new service to be the most dominant measurement variable (Wunderlich 2009; Kuester, Konya-Baumbach, and Schuhmacher 2018; Baumbach 2016). However, other approaches consider time-related and financial factors to be more important (Wang and Lestari 2013; Kuhn 2007). This study provides an adapted measurement scale, which is based on in-depth interviews with manufacturing companies (see section 3). In order to measure market entry success, the adaptation was necessary because manufacturing companies focus on the installed base of machines, especially for digital products and services. Therefore, we built the variable for quantitative market launch success out of three quantitative items (growth of installed base, current turnover and turnover growth, see appendix).

Success Factors

This study attempts to address the contribution of the two factors *sales strategy* and *implementation speed* to the market launch success of service providers. The sales strategy and the salesforce employed to sell a new product are the key determinants of the market launch, because their main task is to operationalize the company's strategy into specific sales activities (Fraenkel, Haftor, and Pashkevich 2016; Atuahene-Gima 1997). Since most manufacturing companies currently fail to establish an adjusted sales strategy for data-driven services, we expect this variable to contribute noticeably to the success of a service market launch. Therefore, we propose the following hypotheses:

H₁: The adapted sales strategy is positively related to the quantitative market launch success of service providers.

Besides, research shows that time-to-market, respectively the implementation speed of digital services, is of increasing relevance for market entry success (Blazevic, Lievens and Klein 2003). Within traditional development of new products and services, a meta-analysis of Cankurtaran (2013) demonstrates the positive interlinkage between implementation speed and market launch performance (Langerak and Hultink, E. J. 2005; Moreno-Moya and Munuera-Aleman 2016). Thus, we assume:

H₂: The implementation speed of the data-driven service on customer site is positively related to the quantitative market launch success of service providers.

Coordination Factors

Drawing from the theoretical background, this study identifies six coordination variables of resources and capabilities as potential influences to explain the success of a service market launch from the service provider's perspective. The major theories we considered for this are the Resource Based View of the Firm (Penrose 2009), the theory of Technology Acceptance and IT Adoption (Davis 1989; Rogers 2003; Heidenreich and Handrich 2015) and the theory of New Institutional Economics including the Risk Theory (Williamson 2000). Especially for new digital services, customers seek to reduce their perceived uncertainty of digital services by using the information provided (Huang and Rust 2013). In particular, the customer's adoption of data-driven, industrial services is associated with a high level of uncertainty and various kinds of risk, which is why the customer's decision-making requires the support of external marketing activities and incentives systems of service providers (Paluch, Wuenderlich 2016). In service marketing, external communication and customer incentives are frequently discussed factors which help to overcome this perceived uncertainty (Kuester, Homburg, and Hess 2012; Storey et al. 2015; Hultink, Erik Jan and Atuahene-Gima 2000). Among others, Frattini, Dell'Era, and Rangone (Frattini, Dell'Era, and Rangone 2013) uncover that a high investment in advertising for new technology-based services contributes to their early market survival. Therefore, we further propose the following hypotheses:

H₃: The external communication to customers is positively related to the adapted sales strategy of service providers.

Besides, we expect an incentive system for customers to have a positive influence on the provider's sales approach, e. g. non-monetary access to provider's resources like data scientists. In order to reduce the perceived uncertainty of potential customers and sell data-driven services, the revenue model appears to be a relevant variable in terms of the customers' financial risk and the applied sales strategy, e. g. the freemium revenue model (Baumbach 2016; Featherman and Pavlou 2003; Kuester, Konya-Baumbach, and Schuhmacher 2018). Therefore, we propose:

H₄: The existence of an incentive system for customers is positively related to the adapted sales strategy of service providers.

The study expects a positive effect of an adapted revenue model of data-driven services on the sales approach and market launch success. Thus, we propose:

H₅: An adapted revenue model for data-driven services is positively related to the adapted sales strategy of service providers.

Furthermore, the background qualifications and competences of the provider's employees, e. g. their IT-skills in sales, add to the market success (Gatignon, Gotteland, and Haon 2015; Wang and Lestari 2013; Fraenkel, Haftor, and Pashkevich 2016). A diverse mixture of required competencies, e. g. IT, legal or electrical expertise, differentiates data-driven services from classic industrial services, which do not rely on product data (Davenport 2014; Marshall, Mueck, and Shockley 2015; Herterich, Matthias, Uebernickel, and Brenner 2016). We assume that the qualification of the provider's employees has a positive effect on both, the adapted sales approach and speed of implementation of the data-driven service. Therefore, we propose the following:

H₆: Employee qualification for data-driven services is positively related to the adapted sales strategy of service providers.

H₇: Employee qualification for data-driven services is positively related to the provider's implementation speed of data-driven services.

In addition to this, prior research indicates that modularization of service components in B2B businesses comprises the decomposition of the complex product-services systems, like data-driven services, into decoupled single components. Single components enable a more individualized service offering, which results in reduced perceived uncertainty of customers and improved time-to-market (Minculescu 2013; Coelho and Henseler 2012; Böhm and Krcmar 2006). As a result, we propose:

H₈: Modularization of data-driven service components is positively related to the implementation speed of data-driven services of providers.

Lastly, the internal organizational design of service providers proves to have an influence on the time-to-market and therefore the market launch success of service innovations (Storey et al. 2015; Weibel 2014; Kuester, Homburg, and Hess 2012). Yadav and Pavlou (2014) also identified a research gap for inter-organizational networks within computer-mediated marketing, which has an influence on market success. Therefore, we assume:

H₉: An adapted organizational structure for data-driven services is positively related to the implementation speed of data-driven services of providers.

Research Methodology and Study Design

Data-driven services represent a relatively new field of service research, therefore existing literature and especially empirical examination are limited on this topic, which is the reason why we use structural equation modeling (SEM) to conduct exploratory research and analyze complex interrelations of our developed conceptual model (Hair et al. 2017; Hair et al. 2018). Hence, we conducted this study with a four-phased approach: In *phase one*, we developed our theory based upon existing theories. This part of the chapter is followed by five in-depth interviews we conducted with senior managers from service management to discover practical relevance of the identified factors. *Phase two* was used to further refine the construct definition as well as develop the multi-item measurement scales tapping into them by using the multi-stage C-OAR-SE procedure for scale development in marketing (Rossiter 2002; Oliveira and Roth 2012). As interviewees, we selected five experienced service and sales managers from different manufacturing companies in Europe. In a *third phase*, we designed the survey and sample structure, pre-tested it and conducted our field survey with representatives of the manufacturing industry. Before we conducted our empirical study by the end of 2017, two stages of pre-testing ensured statistic validity of the newly developed scales. Based on the cognitive interviewing approach of Schwarz (1999) and Rossiter (2002) the item scales of the conceptual model were tested on clarity and content validity. In addition to this, we have tested the developed reflexive measurement models with an item assignment test to support the content validity (Andersson et al. 1991; Hunt, Sparkman and Wilcox 1982). As part of the pre-test, a conventional pre-test was also carried out (Cronbach 1951). A total of 41 service experts participated in two rounds of pre-tests. The written questionnaires (see appendix) were accompanied by an online survey, which we used to contact a total of 1.230 potential participants from manufacturing industries directly via e-mail. This method is in accordance to the data collection approach of Dillmann (Dillmann 2000). We received a total of 284 questionnaires back within eight weeks, out of those a total of 122 was completed fully and used for the evaluation. Overall, a great diversity characterizes the test group – various different industry sectors, company sizes, locations, annual turnover and service turnover volumes are represented in the test group combined with a high degree of managerial experience in sales or service. This ensures the scientific accuracy of the results. Subsequently, we applied the SEM and the PLS algorithm during the *fourth phase* to confirm the

derived research model and the underlying hypotheses. The SEM allows to determine complex relationships of manifest and also latent variables, of which the PLS algorithm is recommended for exploratory research due to limited data sets, which applies best to the field of data-driven B2B services (Hair et al. 2017; Hair et al. 2018). We used the computer-aided software tool SmartPLS 3.0® for the analysis presented in section 4.

Empirical Findings

The proposed conceptual model was assessed and the findings are illustrated in figure 1. To obtain construct reliability, we checked the item loadings, the Cronbach's alpha and the composite reliability, which are $>.7$ for all items (Cronbach 1951). Convergent validity is successfully assessed by the average variance extracted (with AVE $>.55$ for all variables) (Bagozzi and Yi 1988). In addition, the condition of discriminant validity is fulfilled for all variables, including the Fornell & Larcker criteria, the Heterotrait-Monotrait relationship, the VIF and the Crossloads (Hair et al. 2017). Hence, all conditions for the measurement model have been fulfilled by suggested values of marketing research (request appendix for details). The appropriateness of the structural model, which deals with the relationship between the defined variables, is assessed based on the R^2 values of the dependent variables. The significance of the coefficients was estimated by using 3.000 bootstrap samples. As stated in figure 1, the R^2 value for the quantitative market launch success is $.278$.

According to Hair et al. (2017; 2018) this value is a solid explanation of the overall variance of the construct. The values for the sales strategy ($.619$) and the implementation speed ($.531$) are even substantially. Referring to the derived hypotheses (H_1 - H_9), only two hypotheses are rejected on a level of significance of 95 percent ($p < 0.05$). The path-coefficients/beta-coefficients are displayed as β in figure 1. Surprisingly, the construct *organizational structure* does not have a significant impact on the *implementation speed* (H_9 : $\beta = .139$; $p = .1268$) and also employee qualification only proves to be relevant at a significance level of 90 percent (H_6 : $\beta = .1368$; $p = .0516$). Furthermore, we analyzed the total effects of the coordination variables on the *quantitative market launch success* to point out the most significant coordination instruments in manufacturing. Following the data analysis, the factors *modularization* of service components (effect size: $.21$; T-value: 3.45 ; p-value: 0.0006) and *employee qualification* (effect size: $.11$; T-value: 2.48 ; p-value: 0.0132) have a moderate positive influence on market launch success from a provider's perspective. 2.48 ; p-value: 0.0132) have a moderate positive influence on market launch success.

Key Contributions and Implications

This research aimed to identify key influence factors of the market launch process. The goal was to answer the question why some manufacturing companies successfully launch data-driven services better than others. In this study, we were able to contribute to the service marketing literature by (1) adapting measures for coordination constructs, which are specifically developed for data-driven, industrial services in a B2B-context, (2) establishing a new scale for the quantitative success of a market launch in the manufacturing industry and (3) illustrating the direct and indirect relationships as well as the total effects between various constructs. All of these are findings that have not been examined empirically in this specific way before. In total, we were able to validate seven out of our previously described nine hypotheses in our study. Surprisingly, our research reveals that the organizational structure of a data-driven service provider does not have a positive effect on the implementation speed or the market launch success (H_9). Neither does the employee qualification have a positive influence on the sales strategy (H_6) on a level of significance of 95 percent, which is the basis for the analysis. Our theory-based guidance provides insights into relevant coordination and resource factors, which lead to market launch success, e. g. specific modularization of the portfolio of data-driven services as a significant influencing factor. By comparing empirical results for a market launch of products and services, this research fills an important gap in research regarding requirements for digital, data-driven services, e. g. time-to-market. Moreover, the results demonstrate that manufacturing companies can positively influence the market launch success of data-driven services by putting emphasis on the time-to-market factor for digital services and by focusing on an adapted sales approach. Especially the influence factor *implementation time* explains a significant share of the market success. According to other authors, the timing dimension plays a major role in service marketing. However, it is currently not considered as equally important as other factors within the service development process, especially in the manufacturing industry (Langerak and Hultink, E. J. 2005; Moreno-Moya and Munuera-Aleman 2016). The construct developed in this study goes beyond the scope of a classical time-to-market construct: At its core is the ability of providers to quickly implement their service at the customers production site.

To support service providers, we provide guidance within market launch activities with our identified key success factors. Our overall premise is the theory that market launch activities of data-driven services differentiate from classic product or service market launch activities. Thus, we recommend manufacturing businesses to adapt their existing market launch process and the underlying activities to accomplish the "digital servitization in manufacturing" with

data-driven services. This study builds the foundation for further research because our presented findings are limited due to certain research design choices. Regarding further research options, additional coordination and success factors should be added to additional exploratory investigations in order to further develop the insights of digital services success. Furthermore, future work could examine a larger test group or focus on specific categories of companies (e. g. those with specific digital service offerings). Finally yet importantly, the customer's perspective of the market launch success holds great potential for future research but had to be neglected in this study because of the complexity of the conceptual model.

Next Steps

In upcoming research on this topic, we will focus on extending the conceptual model to gain further knowledge regarding the market success of data-driven services in manufacturing. The extension could be made by qualitative success factors from a provider's perspective but also from a customer's perspective by embedding the perceived value for customers. Furthermore, an additional success factor for the market launch could be included into the measurement model, e. g. accessibility to customer data or perceived trustworthiness.

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The Mediated Influence of Augmented Reality on Customer Satisfaction and Customers' Willingness to Make Further Use of Augmented Reality

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Keywords: *augmented reality, user experience, customer satisfaction*

EXTENDED ABSTRACT

Customers are reaping increased benefits from the integration of marketing and technology. This study examines the indirect impact of augmented reality on customer satisfaction and customer's willingness to make further use of augmented reality. The impact of this relatively new technology is mediated by considerable enhancement of the user experience. Three hypotheses are tested using an experiment. The results show that augmented reality significantly impacts user experience, and that user experience subsequently influences

consumer satisfaction and their willingness to make further use of augmented reality. User experience is a second-order formative construct derived from product qualities: pragmatic quality, hedonic quality by stimulation, hedonic quality by identification, aesthetic quality, and augmentation quality. The results of this study carry important managerial implications for augmented reality developers and retail managers.

References are available on request.

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A Model of Transformative Brand Experience for Pilgrimage Tourism

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Keywords: *brand, brand equity, transformative experience, branding transformative experiences, pilgrimage tourism, pilgrimage tourism consumption, model transformative brand experience*

EXTENDED ABSTRACT

The aim of the study is to explore how transformative experiences (TE's) act as a catalyst for consumers in the tourism space, between brand salience and brand resonance. Specifically, we investigate the relevance of a current understanding of brand to the transformation of tourist to brand advocate. The brand development will adopt Keller's (2009) model and will use a combination of experiential (Kolb, 2014) and transformative (Mezirow, 1997) theories to unpack the types of transformative impact pilgrims receive when experiencing the phenomenon. This study will adopt a phenomenological qualitative approach, which is considered to be the most suitable when exploring complex phenomena (Pernecky and Jamal, 2010). The findings suggest that Keller's model provides a useful framework but needs to be adapted to explain the process of transformation to brand resonance in tourism. The context used for this research is the pilgrimage to Gallipoli, Turkey, a site of significant Australian battle in World War 1. The findings will have relevance for other tourism experiences that involve pilgrimage or immersion.

Introduction

In today's world where traditional marketing methods have changed due to technological influences, branding is deemed essential to distinguish products in the marketplace (Keller, 2009). Branding is a concept that has been discussed widely in the marketing literature. According to the American Marketing Association (1995), a brand is a name, term, design, symbol, or any other feature that distinguishes one seller's good or service from those of their competitors. Customer based brand equity (CBBE) relates to the distinctive advantage consumers place on a product compared to a competitor (Keller, 2009). Successful brands bring significant benefits

to companies such as securing consumer loyalty to the brand (Keller, 2013; Smith, 2004). Obtaining brand loyalty means consumers trust the brand (Keller, 2009) and therefore, the design of marketing and communication programs can be customized. The exploration of brand equity is crucial as it has proven to be a necessary antecedent for consumer loyalty (Taylor, Celuch, and Goodwin, 2004).

In exploring the relationship between consumers and brands, it is recognized that consumers are seeking more than just purchasing a product: consumers expect real experiences (Pine and Gilmore, 2011). An extension of the consumer – brand relationship relates to the staging of immersive experiences and transformative experiences (Kotler, 1997; Lean, 2015). In the tourism literature experiences offered to consumers for consumption are now incorporating authentic elements to engage consumers and immerse consumers (Hughes, 1995). An example is a tourism case by Arnould and Price (1993) who narrate a water rafting as an extraordinary experience, remembered years after due to its intense emotional involvement. Pilgrimage tourism is an example whereby consumers are drawn to sites such as Gallipoli (Hall, Basarin, and Lockstone-Binney, 2010). Pilgrims' primary motivation is to have a personal connection to the site. Auschwitz, another heritage site, draws thousands of tourists due to its authenticity and authentic historical role (Magee and Gilmore, 2015). Tourism marketers have acknowledged the need to change their traditional marketing efforts and incorporate more authentic elements in staging tourism experiences (Margry, 2008).

In this study, we develop and present a conceptual branding model that advances our understanding of brand when

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applied to pilgrimage tourism experiences. This paper is organized into three sections. Firstly it will review the literature in the areas of brand equity as it applies to pilgrimage tourism. The next part is an adaptation of Keller's (2009) model to understand the relationship between brand salience and brand resonance in a pilgrimage tourism context. Finally, we will present some preliminary findings to validate the proposed model.

Literature Review

According to Keller (2009), there are four steps in the development of a strong brand and each step is vital in the development of brand equity. These are (1) Brand Identity; (2) Brand Meaning; (3) Brand Response; and (4) Brand Resonance. When consumers develop an attachment to a brand, they progress through each stage to Brand Resonance. Consumer based brand equity (CBBE) is linked with consumers' loyalty to the brand and brand equity is achieved when consumers show a high level of brand awareness; hold some strong, favorable and unique brand associations in memory and present a loyal behavior towards the brand (Keller, 2009). Various marketing studies have empirically tested Keller's model to discuss the development of brands in general and provide recommendations on how to build brand equity (Lee, A., Yao, Mizerski, and Lambert, 2015; Lee, J. and Back, 2008). While Keller's model is acknowledged as a contribution in marketing related studies, scholars have challenged the linear fashion of the model (Grace and O'Cass, 2002) while Schmitt (2012) further suggests the brand experience relationship may be circular. Keller's model provides a sound basis in the exploration of brand trust and loyalty in tourism studies (Kladou and Kehagias, 2014a, 2014b; Kuhn, Alpert, and Pope, 2008). Zboja and Voorhees (2006) confirm when consumers have a positive brand experience, their trust in the brand strengthens; therefore further research is justified exploring the relationship between consumers and brands.

Pilgrimages as tourism consumption experiences have been a focus in the marketing discipline mainly from managerial perspectives (Stone, 2006) with a few authors claiming these experiences have a transformative impact on consumers (Cheal and Griffin, 2013; Hall, Basarin, and Lockstone-Binney, 2011; Magee and Gilmore, 2015). Pilgrimage sites, which are identified as sites of unique spiritual significance (Digance, 2006) include religious ones such as Mecca or the Vatican City or secular ones (places of historical significance) such as Gettysburg in the USA. One of the popular heritage sites visited by tourist pilgrims and especially Australians is Gallipoli in Turkey. The resurgence of visitation to Gallipoli placed pressure on the Turkish and Australian governments to cap the visitor numbers for the centenary commemorations following a surprise turnout of 20,000 in 2005.

Ozer et al. (2012) conducted a forecast analysis of Australian visitors to Gallipoli and found Australians would continue to visit Gallipoli in increasing numbers. Primary motives for Australians travelling to Gallipoli include a sense of nationhood (Slade, 2003); personal connections to the site and national sentiment (Cheal and Griffin, 2013); and a reaffirmation of set beliefs about the First World War (Hall et al., 2011). This visitation can be described as pilgrimage tourism (Hyde and Harman, 2011) or dark tourism (Foley and Lennon, 1996).

The experience in Gallipoli has been described as emotional and transformative (Hall et al., 2010; Magee and Gilmore, 2015), where the transformation relates to changes experienced by the consumer in some fundamental way (Kottler, 1997). This transformation echoes the process of change from brand awareness to brand resonance, but there is no research to explain the brand connection and affiliation that visitors feel post-pilgrimage (Reeves, Bird, James, Stichelbaut, and Bourgeois, 2016). Over the years the relationship between people and the story in Gallipoli led ANZAC to be perceived as a legend for Australians (Slade, 2003); therefore considered a brand. We will apply Keller's model to explore the relationship between brand salience and brand resonance to for tourism pilgrimages (Štefko, Kiráľová, and Mudrík, 2015). We also illuminate the transformational relationship between consumers and the brand (Harmeling, Palmatier, Houston, Arnold, and Samaha, 2015) and we use the 2015 pilgrimage to Gallipoli which marked the centenary commemoration as the study context.

Interpretation of the ANZAC Pilgrimage to Gallipoli Based on Keller's Model

Keller's (2009) CBBE model was chosen to explore how the ANZAC pilgrimage to Gallipoli is developed as a brand. A detailed explanation of each level is explained in the next section.

Step 1. Brand Identity–Salience

According to Keller (2009) to build brand identity it is essential to create brand salience, an important first step in developing brand resonance. Brand identity refers to consumer awareness about the ANZAC story and the pilgrimage experience; how knowledgeable consumers are; what sources of information were used to receive the relevant knowledge. Recognition of the ANZAC brand includes detailed information about the ANZAC story, which drives motivation to attend the ANZAC pilgrimage to Gallipoli. It is suggested that salience is understood by how easily consumers think of the ANZAC story or narrative and how the ANZAC story is discussed in various situations (breadth). Cues such as annual ANZAC ceremonies on April 25th con-

tribute towards building awareness. Researchers also note how perception influences intentions and attitudes (Hornig, Liu, Chou, and Tsai, 2012). Hall et al. (2011) also suggest motivational factors in attending a secular pilgrimage to Gallipoli include personal beliefs, and beliefs are important in this study as they also guide emotions (Hede and Hall, 2012). This broad awareness of Gallipoli and the ANZAC story (salience) is suggested to influence the other components of Keller's (2009) model.

Step 2. Brand Meaning (Performance and Imagery)

Brand performance builds meaning between the consumer and the brand and is linked to the intrinsic features of a product or service (Choudhury and Kakati, 2013). In this case, the ANZAC attributes involve the design and style of the pilgrimage tour, the inclusions, the lectures by historians and experts, and visits to sites and monuments. Brand performance also depends on sensory aspects (Keller, 2009). Hence the ANZAC ceremony and the mood of the special event and how consumers engage in the event are relevant to the transformation. Saunders (Saunders, Laing, and Weiler, 2013) also describes the role of the tour guide in the interpretation of the site as a contributing factor of providing meaning to consumers. Building further on the implications of ANZAC and Gallipoli, (Cheal and Griffin, 2013) contend there are personal connections with the particular place. Given the personal connections families may have with Gallipoli, it can be argued distinct meanings may be generated based on the individual background and the stories consumers have grown up with. Meaning develops through the experiences as visitors learn more about the history and form a connection with the site and the people around them.

Step 3. Brand Response (Judgments and Feelings)

In this stage, the focus is on how consumers respond to the brand and how they feel and think about the brand. Keller (2009) discusses two areas of response: brand judgment and brand feelings. Brand Judgments reflect consumers' overall opinions about the brand. In simple terms, judgments help in understanding how consumers think and feel about the brand. It is argued that during the pilgrimage consumers may become reflective. Therefore individual perceptions need to be explored during this stage. Brand Feelings relate to consumers' emotional responses and reactions to the brand. Feelings can be positive and negative with some feelings being more privately based than others. Previous studies exploring feelings generated in Gallipoli reveal there is an emotional intensity felt (Hall et al., 2011) with prominent emotions such as joy, followed by sadness (Hede and Hall, 2012). It is argued the intensity starts to build during the evaluation of the experience. Feelings may vary, but mostly they seem positive resulting in a sense of pride as seen in

older studies (Slade, 2003). It is also possible the feeling of pride (Hede and Hall, 2012) may influence the final step in the brand building block: brand resonance.

Step 4. Brand Relationships (Resonance)

In this final step of the brand-building model, consumers form a relationship with the brand, which is referred to as brand resonance. Keller's (2009) model suggests that feelings are created following deep involvement with the brand, and as a result, consumers form brand resonance. It is possible that feelings generated during the TE influence the individual's loyalty to the ANZAC brand. To understand the critical factors in brand resonance, Keller (2009) claims it is vital that consumers have an intense relationship with the brand; undertaking activities relating to the brand, and further communicating the brand to others. In this category there are four sub-dimensions: a) behavioral loyalty; b) attitudinal attachment; c) sense of community and d) active engagement. These sub-dimensions can be understood when pilgrims share their thoughts with family and friends, repeat the ANZAC story to younger generations, and encourage them to attend the once in a lifetime ANZAC pilgrimage to Gallipoli. Pilgrimage experiences are yet to be branded as experiences. From the above literature, a proposed Brand Transformative Experiences model for branding niche tourism experiences is proposed in figure 1.

Research Method

The study uses a qualitative exploratory approach as it has a multi-disciplinary focus and it seeks to build on knowledge from a variety of fields within the social sciences. The central question has been identified as below

- How do transformative experiences act as a catalyst between brand salience and brand resonance?

The four main research questions (RQ) are:

1. How does salience on Gallipoli impact on the Transformative Experience (TE) during the Gallipoli pilgrimage?
2. What is the meaning of the ANZAC pilgrimage to Gallipoli?
3. What elements cause the consumer based TE during the Gallipoli pilgrimage?
4. How does the transformative experience impact on brand resonance?

Since this study relates to the human experience, a phenomenological approach was deemed most appropriate (Pernecky and Jamal, 2010; Ziakas and Boukas, 2014) and explored the phenomenon of the ANZAC pilgrimage as a TE

using in-depth interviews. Phenomenology is a relatively new qualitative technique that assesses phenomena and focuses on human experiences. It is an “analysis of which things or experiences show themselves” (Sanders, 1982, p. 354). The phenomenological approach attempts to make sense of the lived experiences of groups of people (Moustakas, 1994). While Husserl was the first to recommend phenomenology the interpretive approach by Heidegger (McWha, Frost, and Laing, 2018) is now widely used to explore complex phenomena. A general phenomenological approach was adopted in this study interpreting participants’ experiences how they made sense of the experience (Moustakas, 1994).

Participants were selected via purposeful sampling techniques, which involve selecting individuals who have experience of the phenomenon and can articulate their lived experiences (Creswell, 2013). A recruitment of 46 prospective secular pilgrims was achieved via a travel database, to which the researcher had access. QSR NVIVO 11 was used for the development of codes. Giorgi’s (2012) descriptive phenomenological approach requires the researcher to create units of meaning and then create groups of categories or cluster codes together; then finally create themes. From an early stage, the researcher organized the data into computer files with the use of QSR NVIVO 11 and formed initial codes with the addition of manual notes. QSR NVIVO 11 assisted with clustering nodes into concepts, which then led to the next step of theoretical development and generation of findings (Hutchison, Johnston, and Breckon, 2010). QSR NVIVO 11 assisted with the clustering process and allowed the researcher to explore possible themes (Hutchison et al., 2010). The researcher followed the critical steps on the first cycle of coding by Saldana (2015) and adopted pattern coding techniques as outlined by Miles and Huberman (1994) for the second cycle of coding to identify similarly coded data or units of meaning. Additional cross validation procedures were followed as outlined by Lincoln and Guba (1985). A description of what the participants experienced followed verbatim examples. Preliminary findings were identified capturing the essence of the experience.

Results

The study found that participants recall the ANZACS as soldiers who went to Gallipoli without any knowledge of what they were getting themselves into. Gallipoli is revealed as the place linked with the ANZAC story. For most pilgrims the association has been a long-term relationship influenced by existing knowledge:

“My grandfather was a Gallipoli veteran. He arrived there early in May, I believe, and I think he was wounded in August and he was evacuated from there

to Lemnos. So I have grown up with a fair few of the stories of what was going on.” (Mary)

Veronica served in the armed forces so was very familiar with the Anzac story. Her existing knowledge increased her motivation to attend the cruise. Veronica’s brand awareness was distinguished by depth, as brand recognition was immediate. Her motivation to attend the cruise included the desire to expand her breadth of knowledge:

“[I was] only familiar to the extent I suppose through historical texts and learning at school which you then realize is probably half of what is really the truth or the knowledge that we are given.”

Wanting to learn more about the story and where the soldiers went became a motivator for pilgrims to seek a stronger association with the brand. Pilgrims sought more knowledge and facts during the trip indicating their intention to strengthen brand identity:

Christopher recalls: “I’m an ex-military officer so I know a little bit about Australian history and I always wanted to go there and picture and see what it was like for myself.”

Amanda already had knowledge but was keen to learn even more: “We were really interested in finding out more about it and also doing family history research and having an ancestor that was killed there that made another interesting aspect of the whole journey.”

The experience appeared to have an emotional impact on pilgrims. Elements such as graves, sights and sounds also contributed to feelings of being moved by the experience: Wayne commented: “...everything went quiet and I mean quiet, there was no-one coughing, breaking wind, talking, anything. There was nothing, you could hear the water lapping on the beach..... I looked around and it was like a stunned silence..... there was just a complete and utter silence like you have in a forest, nothing, only there were 12,000 people there, I was amazed.”

An example of how sight and sound had an impact on Kacey is seen below:

“The most moving thing was something that just happened.....a Maorijust walked down the steps to where the gravesites were and she did a Maori chant and that was completely unexpected ...I’ll never forget that as long as I live”

Following the footsteps of soldiers in Gallipoli was described as moving. When asked about the impact the

experience had on pilgrims, they commented based on how they felt about it. Some pilgrims showed signs of emotion: Wayne expressed his emotion: “Gallipoli, I start to cry. I never used to be like this,” while Nicola brought her feeling of pride into the transformation she felt: “There are some things I disagree with entirely. I’m still very proud Australian. I detest war ever more.” Marianne also noted: “It’s made me think a lot more about wars and the consequences.....”

In answering the question of whether pilgrims would recommend a trip to Gallipoli pilgrims responded positively. Christopher notes: “I think it’s great the Australian Government sponsored schoolchildren...to be part of the commemoration.” Sandra also agrees: “I’d certainly recommend it for young people travelling overseas.” Wayne detailed his intention to pass on to his grandchildren: “We bought two crates, it’s four shoe boxes in size and we have packed two sets of stuff in each box and in it is other memorabilia and photos we’ve collected but it’s two complete sets. In it there’s also a covering letter to our grandsons now and to their children and to their children. It’s in theory to be kept for the 150th or the 200th anniversary.”

Discussion

Keller’s (2009) consumer based brand equity (CBBE) model was chosen to explore how the TE acts as a catalyst between brand salience and brand resonance. ANZAC appeared to have a strong brand identity. Pilgrims had prior beliefs and the pilgrimage allowed for these to be influenced as a result of the transformation. The new knowledge received, which related mostly to the Turkish side of the story was critical in shaping change in beliefs and individual transformation. The ANZAC story has been narrated in Australian schools and by the pilgrims’ families. The Turkish side was never taught, and this was an influential factor in personal transformation.

Following the footsteps of the soldiers, seeing the original gravesites and listening to stories by expert historians contributed to the authenticity of experience, which agrees with

Pine and Gilmore (2011) in matching consumers expectations; subsequently enhancing the overall brand meaning. Saunders (2013) also describes the role of the tour guide in the interpretation of the site as contributing factor of providing meaning to consumers. Meaning developed through the experiences as pilgrims learnt more and were able to create a connection with the site and the people around them.

The emotional impact of the experience emerged via interactions with people and site elements, which enhanced the intensity of the experience. There is a level of intensity that arises from the interaction between participants (Arnould and Price, 1993), and this infuses emotions. Feelings varied from sadness to pride, but overall there was a general consensus of positive feelings as also seen in previous studies (Slade, 2003). The impact of emotions influenced the overall evaluation of the consumer-brand relationship.

The transformation occurred after reflecting on the experience. Two types of transformation are identified: emotional and cognitive change. Brand resonance is strengthened with further attitudinal attachment and a sense of community (Keller, 2009). These are understood when pilgrims share their thoughts with family and friends, repeat the ANZAC story to younger generations, and encourage them to attend Gallipoli, as it’s a once in a lifetime experience.

Conclusion

The study is an effort to brand pilgrimage tourism experiences. An adaptation of Keller’s model seemed suitable for evaluating brand resonance as a result of transformation based on the interplay between brand salience and brand meaning. Both influenced the overall brand judgment and enhanced the relationship between ANZAC as a brand and consumers. Insights from this study will assist marketers and tourism authorities to discern the value of Gallipoli as a brand to develop quality experiences and market them accordingly. Thorough exploration is required to further validate the results.

References and figures are available on request.

The Customer Journey from Digital to Physical Touchpoints

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Keywords: *customer journey, physical and digital touchpoints, automotive, call center, customer experience*

EXTENDED ABSTRACT

Research Question

What are the barriers to delivering expected customer experiences during the customer journey from digital to physical touch points via the call center when purchasing an automotive vehicle?

Method and Data

A mix method approach was applied to assess the organization's internal understanding of the customer journey and an external understanding from the customer perspective. An automotive sales and distribution company was used as the case study for this research. They are present on four continents with five key brands offered in all regions. For the internal understanding of customer experience an analysis of internal data streams was conducted. Call center calls were collated over a six months period and analyzed for customer responses against predefined customer service steps. A two-phase approach was used to investigate the customers' perspective, using focus groups and a customer survey. This was then followed up in phase two with a quantitative customer survey to validate the findings from the focus groups.

Key Contributions

This research examines the customer journey from digital to physical touchpoints via the call center when purchasing a vehicle. The key issue occurs with the poor processes that surround the sharing of information about customers internally leading to a fragmented and disrupted customer journey. Although there has been an increase in data, organi-

zations may not have developed appropriate processes for data flows. At the first human touchpoint, the call center, this may mean that those employees who best placed to offer a customized service, have the least access to data to use in decision making.

Therefore, this study aims to close the gap by investigating the internal understanding of the customer journey and the external understanding from the customer perspective. Furthermore, it considers the challenges and barriers of the call center in delivering the customer experience.

Summary of Findings

The overall findings depict that automotive retailers do not deliver what customers are expecting. There seems to be a mismatch between what is important to the retailer and what is important to the customer. Furthermore, a mismatched has been identified in the internal processes to engage with customers and the customer expectations and their actions. The existing processes have been set up to govern departments to achieve set business objectives rather than customer benefits. The key challenges that have arisen are born in the uncoordinated customer service between the various touchpoints of the customer lifetime journey. The transition from digital to physical touch point with regards to information availability and consistency of experience is crucial in the customer experience

References are available on request.

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The CX Scale: Towards a Holistic Measure of Customer Experience

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Keywords: *Customer experience, customer journey, touchpoint, scale development*

Description: *Since a CX measure is missing in the marketing literature, we develop and validate the CX scale that consists of six experience dimensions (i.e., affective, cognitive, sensorial, physical, relational, and symbolic), using data from written experience descriptions, in-depth interviews, item screening and sorting studies, as well as online surveys.*

EXTENDED ABSTRACT

Research Question

Providing a superior customer experience (CX) throughout the entire customer journey has become a leading management objective. Today's customers interact with different experience providers (e.g., brand, personnel, other customers) through various touchpoints (e.g., advertisement, online shop, store) during all customer journey stages (i.e., pre-purchase, purchase, post-purchase). To manage marketing activities throughout such diverse customer journeys, companies need a customer-centric, holistic measure that quantifies CX.

To date, researchers have mainly focused on the conceptual investigation of CX as a subjective, co-created, and holistic construct that covers multiple dimensions (e.g., De Keyser, Lemon, Klaus, and Keiningham, 2015; Lemon and Verhoef, 2016; Schmitt, 2011). Little work on measuring CX exists. Extant studies that develop experience scales are limited to a specific domain of the CX concept, such as brands (e.g., Brakus, Schmitt, and Zarantonello, 2009) or services (e.g., Verleye, 2015), so that they cannot be applied to any customer journey. These scales weight the construct's dimensions and each CX equally, although research indicates that different CX dimensions and single CXs might be more or less salient for customers overall CX (Ariely, 1998).

To overcome these research limitations, we ask: How to measure CX throughout the customer journey as a multi-dimensional construct, while accounting for distinct cus-

tomers journey elements (i.e., experience providers, touchpoints, stages) and differential weights for individual CXs?

Method and Data

To develop the CX scale, we followed established scale development procedures (e.g., Churchill, 1979) and conducted a multi-method research process including five studies.

To generate an initial item pool for the CX scale, we first reviewed research papers, business books, and practitioner reports. Second, we asked 29 students to write down and describe a self-selected customer journey (study 1), and third, we interviewed 21 customers about their last customer journey (study 2) which were audiotaped and transcribed to 208 single-spaced pages.

To reduce the initial item pool, we first asked 18 experts from the field of marketing and psychology to evaluate to which extent each item can be applied as a measure of its respective CX dimension and underlying conceptual domain (study 3). Second, 162 customers were recruited for an item-sort task (study 4) and asked to assign each item to a CX dimension that, according to their individual judgment, it best reflects.

Finally, we run an online survey (study 5) with 1,348 customers who evaluated a single CX (e.g., brand in pre-purchase stage) in a retailing context (i.e., clothing). To purify and validate the CX scale, we conducted iterative confirma-

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tory factor analyses, resulting in an 18-item scale that revealed good model fit in both the overall sample and all experience provider (i.e., brand, personnel, other customers) and customer journey stage (i.e., pre-purchase, purchase, post-purchase) subsamples.

Summary of Findings

CX is a six-dimensional construct covering affective, cognitive, sensorial, physical, relational, and symbolic experience dimensions. To capture these dimensions within the CX scale, we developed an easy to implement 18-item scale that can be applied to every individual customer journey, as it accounts for different experience providers (e.g., brand, personnel, other customers), touchpoints (e.g., advertisement, online-shop, store), and stages (i.e., pre-purchase, purchase, post-purchase). Empirical results reveal sound psychometric properties of the CX scale, mirrored in its reliability and dimensionality, as well as convergent, known-group, and

nomological validity. Further, results show that flow is an antecedent of CX, whereby customer satisfaction and word-of-mouth are consequences of CX.

Key Contributions

This research entails three contributions to the body of existing literature and to management practice. First, a robust and implementable measurement scale that is organized around customer journey elements. Second, a refined understanding of the CX construct with all its underlying dimensions, embedded within a nomological network of other marketing constructs (i.e., flow, satisfaction, word-of-mouth). Third, an approach for the aggregation of single CXs as well as CX dimensions to an overall CX measure based on customer-specific weights. [The Marketing Science Institute financially supported this project.]

References are available on request.

Customer Experience and Experiential Value in Organizational Buying: A Component Model Based Study

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Amit Mookerjee, Indian Institute of Management Lucknow

Keywords: *customer experience, experiential value, behavioral intention, B2B, emotions in customer experience*

Description: *This paper builds on component process model highlighting parallel processing of affect and cognition to form customer experience and experiential value leading to behavioural intent during a B2B decision making process.*

EXTENDED ABSTRACT

Executive-vendor relationships involve many vendors vying for the lifetime value of buyers through relationships with executives. Vendor relationships are key to competitive advantage (McKenna, 1993; Vavra, 1992; Naumann, 1995) and corporates are moving towards relationship orientation forming value creating networks (Iacobucci D, 1996). Relationship marketing theory posits that relationship quality or strength of the relationship guide behavior in a relationship (Storbacka et. al., 1994). Since both quality and strength of the relationship is a subjective concept, it will be perceived differently by each individual involved in the executive-vendor relationship and will be guided by their experience of the relationship in an organizational buying scenario. Caine and Caine (1991) noted that an individual's mindset and emotions influence and organize learning. Learning and responding based on appraisals (Scherer 2009), is an ongoing process and the emotional impact of any event or life experience affects cognition and memory while continuing to reverberate long after the specific event. The component model proposes various levels of appraisal which occur sequentially. Drawing on this central idea, customer experience and experiential value are proposed as sequentially occurring stages in the consumer appraisal process. Individual learnings, experiences, and relationship factors (as implied in the work of Morgan and Hunt, 1994) are carried forward when individuals come together in the buying center. This study extends customer experience concept to executive-vendor relationships while exploring the degenerative and constructive nature of customer experience in an organizational buying scenario.

Research Question

The central tenet of dynamic affective and cognitive appraisal is reflected in the existing customer experience and value models which include emotion as a relevant dimension. This study explores the dimensions of customer experience (Schmitt, 2010), value (Smith and Colgate, 2007) and behavioral intent (Zeithaml et. al., 1996) in alignment with the learning (Bloom et. al., 1956) and component model (Scherer, 2009) processes to propose a customer experience framework for organizational buying. This research empirically addresses the following questions: (1) In a customer experience framework of executive evaluation, are emotions a relevant dimension of customer experience and experiential value? (2) If so, does experiential value mediate the path between customer experience and behavioural intent formation in organizational decision making? (3) Do customer experience and experiential value degenerate with time in an organizational buying situation?

Method and Data

A study simulating vendor-executive interactions in an organizational buying scenario was conducted over three stages to ascertain the mediating role of experiential value during behavioural intent formation in a vendor evaluation context and to study their degenerative effects. A questionnaire comprising existing scales and some items developed for the study was administered to industry volunteers in exchange for a small incentive in terms of sharing the findings of this study with the participants.

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First stage of the study simulated a situation where two vendor responses to a given request for proposal was evaluated by respondents who played the role of buying centre members. The second stage simulated a situation where vendor response to queries raised by respondents at the end of the first stage was evaluated. The final stage simulated a situation where the respondents evaluated best and final offer submitted by both the vendors to make an individual choice. A questionnaire was administered at the end of each stage to capture the customer experience, experiential value and behavioural intent while evaluating each vendor. Data was also collected to check the recall values of previous experience. Respondents were asked to indicate their preference for one of the vendors at the end of the third study.

Summary of Findings

The results from this study establish the role of affect in B2B decision making and demonstrate that emotion is a valid dimension of both customer experience and experiential value in organizational buying. It indicates that customer experience in B2B leads to formation of experiential value which in turn leads to formation of behavioural intention. Further, the emotional value component of experiential value for the preferred vendor is higher as compared to emotional value component of other vendors indicating that

emotions influence behavioural intent. A buying centre member prefers that vendor for whom the perceived experiential value is maximum. Our findings also indicate that customer experience and experiential value do not appear to degenerate during an organizational buying scenario.

Key Contributions

The study attempts to explore the customer experience and experiential value paradigm in B2B decisions. The findings indicate role of customer experience in organizational buying and how experiential value leads to behavioral intention at the time of organizational decision making. The role of emotional value and its influence on decision making in an organizational buying situation has also been brought out. It highlights that individual learning through customer experience and experiential value in an organizational buying scenario is not a degenerative process, hence confirming the need for marketers to ensure a positive experience for their customers throughout their association. Further, it helps marketers understand the role of emotions in organizational buying and stresses on the need to reinforce customer experience regularly to ensure a higher perceived experiential value for their firm.

References are available on request.

A Management Perspective on Customer Engagement Risks

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Keywords: *customer engagement, co-creation, risks of customer engagement, customer engagement management*

Description: *Drawing on network and co-creation metatheories, as well as related concepts of customer activism in interactive value formation, the study reveals the potential risks of engaging customers into the business processes.*

EXTENDED ABSTRACT

Research Question

Although customer engagement (CE) brings many opportunities, it also has considerable risks. Therefore, it is necessary for companies to evaluate CE risks, maximize the possible CE benefits and simultaneously minimize the risks involved. The existing marketing literature on customer engagement has focused more extensively on the benefits than on the risks that need to be emphasized so that companies can prepare accordingly.

While positive firm-level consequences of customer engagement have been discussed in the marketing literature, e.g. higher sales (Wirtz et al. 2013), customer equity (So et al. 2014), or shareholder value (Beckers, Van Doorn, and Verhoef, 2017), the potential risks of engaging customers in the business processes have remained unexplored. Thus, two overarching research questions are examined in this paper:

1. What are the potential CE risks from the managerial perspective?
2. How CE risks are perceived by managers in the context of CE benefits?

Method and Data

Attempting to identify the risks of CE in a management perspective we conducted an empirical study in firms operating in the field of consumer goods and services, registered in Poland. The research had received funding from the National Science Centre, project no 2014/13/B/HS4/01614. The sampling framework was stratified by industry type and number of employees. We focused on firms operating in the

following consumer markets: fashion, food and beverages, household appliances, and banking and financial services. In each firm one manager responsible for marketing activities was interviewed. The data was collected through computer-assisted telephone interviewing (CATI) between August 22nd and September 21st 2017. From a total sample framework of 9,384 firms we collected data from 402 firms.

To analyze the dataset we used the structural equation modeling (SEM) as the proper method of not only used as a confirmatory factor analysis (CFA) but also a way to identify the relations with other constructs (via regression modeling). We used Mplus (version 8) for the analysis (Muthén-Muthén, 2017).

Summary of Findings

The managers we surveyed confirmed, that the most important CE risks include: receiving ideas infeasible from a firm standpoint due to the lack of customer knowledge, information overload, the loss of secrecy of information or know-how for competitors' advantage, and additional costs of integrating customers' ideas in business processes and coordinating those processes. The lack of or diminishing control of business processes was ranked lower, what is quite surprising. Perhaps this risk is perceived as more general than others, and managers pay more attention to the current impediments in their management practice, but this potential explanation requires further research.

The findings of this study also shed light on the linkages between CE risks and firm-level benefits of engaging customers, since we discovered positive, statistically significant

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relationship between those two constructs. Therefore firms should be aware that the more value they attempt to capture from customer engagement, the more risks they have to manage and minimize. This requires adequate firm's competencies and investments to develop them. Perhaps, this explains, why some companies in the same sector decide to engage customers intensively (e.g. Betabrand or Threadless in fashion business) and some engage customers to quite limited extent (e.g. Zara), basing their CE strategies on the evaluation of potential benefits and risks.

Besides, our study shown that the relationship between engaging customers by firms and the CE risks, which is negative and weak, is not statistically significant in the context of the entire model structure comprising CE benefits. But maybe it could be tested further if more range and intensity of customers' engagement by firms (as CE), means that managers perceived that there are less risks associated with CE. This would be in line with the concept of learning curve effect (Day and Montgomery, 1983) adopted to CE management.

Key Contributions

Our empirical work provides answers into how firms can better manage CE and contributes to the better understanding of CE risks. By taking a step back to the value co-creation methatheory, which is the big idea in marketing underlying the threats of external resources integration, and drawing on CE related concepts of customer activism in interactive value formation, we identified the potential risks of CE.

Our study provides insights into how firms can better manage the customer engagement by understanding the potential CE risks involved, that can impede co-creation of additional value. Proper evaluation of those risks is an important ele-

ment of effective CE management. Thus we contribute to the developing theory of CE management, termed as CE marketing, focusing on firm's deliberate effort to motivate, empower, and measure a customer's voluntary contribution to the firm's marketing functions beyond the core, economic transaction (Harmeling et al. 2016).

By recognizing CE risks that must be addressed, we suggest, that customer engagement in business processes may lead both to the positive firm-level effects (value is co-created), but also the opposite situation is possible, where firm-level value is co-destroyed, when CE risks are not managed properly. Analogous view is expressed by Groeger, Moroko, and Hollebeek (2016) in reference to customer value: CE may lead to customer value co-creation, but also be neutral or destructive. Therefore, regarding customer engagement and firm-level value, we prefer to perceive CE in less optimistic view, in the entire context of interactive value formation (both co-creation and co-destruction), which is in line with arguments of Plé and Chumpitaz Cáceres (2010) and Echeverri and Skålén (2011).

We also fill the gap identified by Beckers, Van Doorn, and Verhoef (2016) who posit, that most research studies the effectiveness of a single CE behavioral manifestation in isolation, instead of the overarching multi-faced CE construct. Therefore in our model we combined three CE forms: customers' communication, customer complaints and customer collaboration and explored what risks and benefits are associated with CE manifested in those forms. In distinguishing CE forms we followed Jaakkola and Alexander (2014) and Bijmolt et al. (2010), but instead of customer co-creation, we introduced customer collaboration, as we posit that CE may results both in co-creation and co-destruction of value.

References are available on request.

Exploring Fixture Shape in a Retail Setting

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Keywords: *retailing, atmospherics, store design, customer experience, performance*

Description: *Curved store fixtures are more appealing to consumers than angular fixtures and thus lead to an increased appraisal of attractiveness as well as greater shopping intention.*

EXTENDED ABSTRACT

Research Questions

1. Will curved retail architectural elements be associated with increased approach (versus avoidance) behavior?
2. Will curved retail architectural elements lead to increased shopping intention for consumers?
3. Will rounded shelf fascia be associated with increased levels of product interaction?
4. Will round point-of-purchase containers will be associated with an increase in product sales?
5. Will round product bins be associated with an increase in product sales?

Method and Data

Proposed Methodology

Study one examines the effect of curved versus angular fixtures in a generic retail space on consumer approach and shopping intentions. Two sets of images depicting an empty retail store are being designed. All store elements are identical, except that in one set of images all the fixtures are curved and in the other all the fixtures are angular. The images will be photo-realistically rendered architectural models of front elevation and overhead. Study two examines the effect of curved versus angular shelves—such as might be seen in a grocery store—on product interaction and intent to purchase. Participants will be randomly assigned to one of three conditions where they are shown an image of three shelves, one curved and two straight (with the curved shelf alternating between top, middle, and bottom based on the three conditions). Each shelf will contain an identical set of products (e.g., packages of paper napkins). Subjects will be asked to click on the product they would virtually select from the shelf to purchase.

Summary of Findings

The potential managerial contributions from this research are immense. If curved shelves or fixtures are found to significantly alter product selection, improve approach tendencies, or increase shopping intentions then it might be possible for retailers to influence products that are selected by consumers or even increase total sales without having to alter their positioning, product mix, pricing strategy, or marketing communications. Instead, they can realize these gains operationally by altering the type of shelving and fixtures they use in their stores, or through where they place certain products within their stores if both curved and angular shelves are utilized. While this might present an upfront cost, the tradeoff can be evaluated, and an informed decision made. The results of these studies could also alter (and justify) the amount of slotting fees charged for what could now be deemed more premium space (i.e., curved shelves surrounded by angular shelves). While many of these effects will need to be further examined to fully understand their boundary conditions, the potential advantages to retailers are far-reaching.

Key Contributions

This paper explores the phenomenon of store atmospherics in the form of curved versus angular spatial layout. In doing so, a much broader understanding of the impact that fixture shape has on product selection, approach/avoidance, and shopping intention will be developed. Our research will also contribute novel insights to several areas, including the role of atmospherics on consumer behavior and consumer experience, strategic use of design to evoke emotions, and application of curved elements to new contexts. Furthermore, we have the potential to add significantly to retail

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strategy. Overall this paper fills a gap in the marketing literature by investigating how an underutilized design option (namely, switching from straight shelving and other fixtures to curved) affects the consumer experience and subsequent performance of the retailer. These contributions will be fur-

ther bolstered and extrapolated upon after the completion of the two studies.

References are available on request.

Online Customer Engagement Behaviors: A Social Exchange Perspective

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Keywords: *Online customer engagement, customer orientation, communal relationship, customer empowerment*

Description: *This paper explores the question of how companies may cultivate a deeper and meaningful relationship with customers that encourages online customer engagement.*

EXTENDED ABSTRACT

Research Question

As rapid changes in technology have created opportunities for companies to interact with consumers on multiple channels and media, researchers and managers have shown a keen interest in customer engagement. Given the importance of customer engagement to practice, we explore the critical question of why customers want to engage with companies online when monetary incentives are not provided.

Method and Data

To test our framework, we conducted a large field study collaborating with an online service company. We used OLS analyses and followed Hayes' (2012) recommended bootstrapping technique to examine the proposed mediating processes.

Summary of Findings

Overall, the results indicate that benefits provision, including customer orientation and creative benefits, encourages customers to engage with a company online. However, this relationship may be altered by the different mechanisms that these benefits trigger. More specifically, if these benefits

motivate customers to perceive the relationship with a company as a communal one, customers are more likely to engage with the company. A critical finding of the present research is that if perceived benefits elicit empowerment that prompts customers to be more independent, customers are less likely to engage with the company.

Key Contributions

We develop and empirically test a framework that contributes to the theory of online customer engagement by addressing the antecedents and underlying processes of customer engagement when monetary incentives are not offered. This study thus contributes to the customer engagement literature by examining how customer orientation and creative benefits encourage customer engagement. The findings suggest that providing benefits encourages a communal relationship that drives customer engagement. However, it may also trigger empowerment that counterbalances the effects of the benefits provision.

References are available on request.

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The Interplay Between Goal Type and Goal Completion Status on Consumers' Post-Goal Behavior in Multi-Tiered Loyalty Programs

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Keywords: *loyalty program, goal pursuit, counterfactual thinking, goal ladder*

Description: *This paper examines the effect of goal completion status on individuals' effort toward their subsequent goals, and how maintenance versus attainment goal types moderate this relationship.*

EXTENDED ABSTRACT

Research Questions

Although research on the effect of different goal characteristics on goal completion (i.e., treating goal completion as a dependent variable) is abundant, limited attention has been paid to what happens after goal fulfillment or goal failure, that is, how goal completion status influence individuals' subsequent goal behavior (i.e., treating goal completion as an independent variable). In a loyalty program context, where consumers pursue reward goals in multiple cycles, success or failure to achieve a previous goal may affect how much consumers are motivated to pursue subsequent goals. Insufficient attention has been paid to the consequences of such successes or failures. Our research aims to address this gap.

Method and Data Used

The data used in this study came from a major airline's multi-tiered frequent-flier loyalty program. As the number of flights is a count variable and shows over-dispersion, we used Negative Binomial Regression to model number of flights and used ordinary least regression for the other outcome variables.

Summary of Findings

we found (1) a linear effect under the maintenance goal, such that the more one completed his/her previous goal, the more effort he/she will invest in the subsequent goal cycle; and (2) a reverse U-shaped effect under the attainment goal, such that substantial goal achievement in the previous goal cycle creates a surprising hampering effect on subsequent goal pursuit.

Key Contributions

Our research contributes to marketing research and practice in several ways. First, we extend that research stream by investigating the impact of goal completion status on motivation and behavior in the subsequent goal pursuit cycle. Second, our study deepens the understanding of goal pursuit theory. Third, most studies of goal pursuit have been conducted in the laboratory environment. We supplement these experimental studies with large-scale observational data from a major airline's loyalty program and hence provide real-world validations to previous findings.

References are available on request.

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Uncovering the Prominence of Imagery Experience on Purchase Decision and Customer-Brand Relationship Cultivation

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Roger Calantone, Michigan State University

Keywords: *imagery experience, product design, purchase conversion, customer relationship cultivation*

Description: *Whether and how customers' imagery experience, evoked from product design, drives a consideration to purchase decision and cultivates a customer-brand relationship.*

EXTENDED ABSTRACT

Research Questions

- Whether and how imagery experience evoked from product design drives purchase consideration to actual purchase and cultivates a customer-brand relationship?
- How the key contingencies, e.g. traditional design dimensions, marketing communication ambiguity, and customer characteristics, shape the effect of imagery experience?

Method and Data

This study comprises a large multi-sourced data set consisting of 221 car models from 39 brands of U.S. automotive industry, including:

- customers' self-report consideration sets, brand relationships, and evaluations on various design dimensions of car models from a unique design and imagery study sponsored by a leading marketing research firm
- trackable customer purchase data from a set of panel companies who have accesses to car dealers and contract with the marketing research firm
- third party data for control variables, e.g. customer-based brand equity (Young and Rubicam), price (cars.usnews.com), etc.

We use a heteroskedastic probit model to examine the effect of imagery experience on purchase conversion and its contingencies. Subsequently, we use the treatment effect model with counterfactual framework to examine whether purchas-

ing a product with superior imagery experience cultivates a customer-brand relationship.

Summary of Findings

- Imagery experience has a prominent effect on purchase conversion, e.g., from consideration to actual purchase. This effect only emerges when the overall functional and aesthetic design achieves a satisfactory threshold that varies across customers. As imagery experience is composite and seductive, it shows an inverse S-Shaped functional form on purchase conversion.
- The effect of imagery experience achieves the highest at higher levels of marketing communication ambiguity and moderate levels of customer imagery subjectivity.
- A customer is more bonded with the focal brand if she or he purchases a product that its design is able to evoke pleasant imagery experience, compared to if she or he did not.

Key Contributions

1. This study examines how imagery experience affects purchase conversion, e.g. from consideration to actual purchase, closing the gap between pre- and post-purchase stage, a significant phase throughout the customer journey.
2. The empirical findings provide theoretical contingencies and managerial guidance on how product design, marketing communication, and customer characteristics not only

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form imagery experience but also shape its effect on purchase conversion.

3. In addition to purchase decision, the positive influence of imagery experience of a product can be extended to the

focal brand, significantly cultivating a customer-brand relationship. It suggests a positive halo effect that contributes to long-term success.

References are available on request.

Embracing Fun in Customer Relationship Management: The Value of Gamified Loyalty Programs

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Keywords: *gamification, loyalty program, loyalty, involvement, hedonic value*

Description: *This study investigates the role of gamification in loyalty program (i.e., gamified loyalty program), as compared to conventional loyalty programs, in driving customer loyalty.*

EXTENDED ABSTRACT

Research Question

Loyalty programs have increasingly faced challenges in terms of its effectiveness in driving customer loyalty. An interesting trend in loyalty programs is incorporation of *gamification*, a fun component. However there is extremely little research on this aspect. Drawing upon social exchange theory, the current study investigates the role of gamification in loyalty program (i.e., *gamified loyalty program*), as compared to conventional loyalty programs, in driving customer loyalty. Also, we identify mediating mechanisms underlying the impact of gamified loyalty program on customer loyalty, along with moderating roles of product involvement.

Method and Data

An experimental approach was used to test proposed hypotheses. The data were collected from undergrads in the U.S. (for the pretest) and U.S. consumers through online participations (for the main test). Total of 418 usual responses were gathered and used for data analysis for the main test.

Summary of Findings

The findings from U.S. consumer data support that the gamification (e.g., bingo-based

challenge) embedded in loyalty programs indeed contributes to customer loyalty, which is significantly greater than con-

ventional loyalty programs without gamification. The results evidence significant mediation of hedonic value underlying the impact of gamification on customer loyalty. But it was not the case for utilitarian value. No significant moderated mediation of product involvement regarding hedonic value and utilitarian value as mediators. But there is significant moderation of product involvement such that direct impact of gamification on store loyalty was significant for those with moderate and high product involvement.

Key Contribution

This study contributes to the literature as it evidences the value of a fun component in loyalty

program (i.e., gamified loyalty program) in enhancing customer loyalty. Also we identify mediating mechanisms (i.e., hedonic value, but not utilitarian value) underlying the impact of gamified loyalty program on customer loyalty. The result also confirms interesting moderating roles of product involvement. Overall, considering the challenges today's loyalty programs have been facing in terms of customer loyalty, the insights from the value of gamified loyalty program can be helpful for marketers to reconcile their difficulties in harnessing companies' relationship building efforts.

References are available on request.

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A Look Backstage: CRM Insights from a Sharing Economy Service Provider Community

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Keywords: *customer relationship management, CRM, sharing economy, social identity theory, netnography*

Description: *This study extends the customer relationship management (CRM) literature by shedding light on how ostensibly amateur sharing economy providers are able to compete with professional hospitality firms who invest vast resources in the development of their CRM practices.*

EXTENDED ABSTRACT

Research Question

How do CRM practices evolve in the new domain of the sharing economy? Specifically, how are ostensibly amateur players able to compete or perhaps even outperform traditional hospitality providers who have invested vast resources into building out their CRM operations?

Summary of Findings

“Role tensions” were observed in regard to which ‘performance’ to actually participate in and how to structure it. Confidence tends to increase as more experience is gained and tools, including text and spreadsheet templates for marketing and bookkeeping purposes, are being exchanged. Thus, unlike large firms which often keep their CRM practices proprietary, SE service providers seem to share and collaborate on theirs. However, these tensions also lead some SE service providers to consciously avoid building relationships with some customers based on personal rather than commercial grounds.

Lastly, encouraging repeat business is a primary objective of professional hospitality CRM strategies. SE service providers identify offering ‘season passes’ as a strategy to generate repeat business. However, community members are

almost unanimously of the opinion that no significant reasons exist (except perhaps a reduced sense of uncertainty) for offering financial incentives as demand is generally high. As long as SE business models continue to expand rapidly, this contrast between SE provider and large firm CRM strategies may persist. However, if and when SE growth slows, SE providers may resort more frequently to ‘season pass’ strategies to build and deepen relationships.

Key Contributions

This study addresses this gap by providing new insights into the strategies used by small service providers. Data is gathered from a leading Airbnb online community in which hosts openly discuss their attitudes, concerns, questions, and strategies for managing relationships with customers. This data is analyzed using a netnographic approach. This study contributes to our understanding of how customer relationship management may evolve with the rise of SE business models. In doing so, it offers a possible answer to the question posed by Boulding, Staelin, Ehret, and Johnston (2015, p. 164) “What is next after CRM?”

References are available on request.

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Driving Viewing Intentions Through Entitativity of Concurrent Sponsors

Peter Dickenson, Loughborough University

Anne L. Souchon, Loughborough University

Keywords: *concurrent sponsorship, property viewing intentions, entitativity, conditional process modeling*

Description: *This paper examines how roster size, homogeneity of sponsors' offerings, and an implicit theory about groups (a) influence people's "groupness" perceptions (i.e. entitativity) of concurrent sponsors and (b) interact with entitativity, such that viewing intentions are affected.*

EXTENDED ABSTRACT

Research Question

While sponsorship studies typically focus on audience's attitudes and behaviors towards the sponsoring brands, little is known of how sponsorships influence people's intentions to view sponsored events (Olson 2010). This is a particularly salient issue when concurrent sponsors are involved, where at least two (and usually many more) brands simultaneously sponsor the same property (Carrillat et al. 2010), which tends to be the norm (Groza et al. 2012). Instead, the sponsorship literature generally reports consumer responses towards a sponsor within dyadic sponsor-property settings (Cornwell et al. 2005). Consequently, this study aims to address both these concerns (the lack of attention on the sponsored property in sponsorship studies, and the narrow focus on sponsor-sponsee dyad). More specifically, the focus of this paper is on how people's perceptions of concurrent sponsorships drive their viewing intentions towards sponsored properties. In particular, we investigate how people's perceptions of roster size, homogeneity of sponsors' offerings, and implicit theory about groups (a) influence their "groupness" perceptions (i.e. entitativity) of concurrent sponsors and (b) interact with entitativity (conditional process modeling, Hayes 2013), such that viewing intentions are affected. In addition, we investigate these relationships for sponsors that invest financial resources and sponsors that offer in-kind support.

Method and Data

Data were collected through a mixed-design fractional factorial survey with experimental partitioning (Atzmüller and Steiner 2010, Aguinis and Bradley 2014). A total of 263 stu-

dents from a single European country were simultaneously presented with two vignettes—a "financial" concurrent sponsorship context and an "in-kind" concurrent sponsorship context. To mitigate against potential method bias, eight sponsorship-type vignette-pairs were created, allowing for the property, focal concurrent sponsor, and ordering of the sponsorship type, to interchange. The hypothesized relationships were investigated in both "financial" and "in-kind" sponsorship contexts by capturing people's responses to the respective constructs in both sponsorship types, using established (psychometrically sound) operationalizations. Data were analyzed using confirmatory factor analysis and structural equation modeling in Lisrel 8.71.

Summary of Findings

The results suggest people's entitativity of concurrent sponsors, as well as their viewing intentions towards sponsored properties, are affected differently depending on the sponsorship context (financial versus in-kind sponsors). Specifically, roster size significantly and positively relates to entitativity in "financial" concurrent sponsorships but does not significantly relate to entitativity in "in-kind" concurrent sponsorships. However, roster size interacts with entitativity such that viewing intentions are negatively affected in both sponsorship types. In other words, as roster size increases, the relationship between entitativity and viewing intentions weakens. Further, while homogeneity perceptions positively affect entitativity in both sponsorship contexts, the interaction between entitativity and homogeneity perceptions positively affects viewing intentions only for in-kind sponsors. Instead, a significant and positive relationship between

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entitativity and viewing intentions exists in “financial” concurrent sponsorship contexts, independent of homogeneity perceptions. Finally, people’s implicit theory about groups has no significant impact on entitativity, nor affects the entitativity-viewing intentions relationship in either sponsorship context.

Key Contributions

Theoretically, we add to the scant literature on entitativity in marketing contexts in general, and concurrent sponsorships, in particular. Specifically, we demonstrate people respond differently to sponsored properties depending on whether sponsors invest financial resources or in-kind resources. Importantly, the study suggests entitativity’s antecedents found in social psychology may not always be directly applicable to all concurrent sponsorship contexts. Further, the results indicate entitativity’s drivers may interact with entitativity itself such that people’s behavioral intentions are

affected (i.e. viewing intentions enhanced/worsened). Managerially, our study suggests the number of sponsors, and the type of product categories property rights-holders offer sponsors should be limited. For example, rights-holders should allow fewer sponsors to become official sponsors of more product categories within a narrow product-category scope. This way, viewing intentions should increase when sponsors are entitative. That said, with substantially fewer sponsors it likely means that each sponsor needs to contribute more resources/capabilities to a property than before. Further, roster size appears to be an important antecedent to entitativity in ‘financial’ sponsorships. Hence a reduction in roster size should lead to a reduction in entitativity in the first place. Consequently, it is advisable for concurrent ‘financial’ sponsors to actively communicate other antecedents to entitativity.

References are available on request.

The Positive Influence of Watching Others Receive Preferential Treatment: The Role of Envy

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Tom J. Brown, Oklahoma State University

Keywords: *preferential treatment; envy; loyalty program participation; relationship marketing*

Description: *This research explores how companies can motivate nonprioritized customers to respond positively (and/or reduce their negative responses) when they witness other customers receive preferential treatment during service encounters.*

EXTENDED ABSTRACT

Research Question

As a strategy to build loyal relationships with highly profitable customers, the practice of customer prioritization has been widely adopted by a variety of firms in service industries. Although prior research (e.g., Homburg, Droll, and Totzek, 2008; Lacey, Suh, and Morgan, 2007) has shown that there is value creation in allocating more resources to prioritized customers, nonprioritized customers were found to respond negatively to this practice (Steinhoff and Palmatier, 2014). Given that unhappy customers can be costly to a firm (Buttle, 1998) and that it is common for a firm to have some desirable customers who are not in the position of receiving preferential treatment (Thompson, Gooner, and Kim, 2015), it is important to investigate how to encourage positive responses from nonprioritized customers. In this research, we address this issue by drawing on social comparison theory. Specifically, we examine how watching other customers receive preferential treatment can serve as a cue of upward social comparison that results in both positive (i.e., mediated through envy) and negative (i.e., mediated through anger) influences on intentions to participate in the loyalty rewards program. Moreover, we investigate how these effects vary based on customers' knowledge of preferential treatment rules.

Method and Data

Study 1 serves the purpose of establishing causal relationships by conducting an experiment with a 2 (preferential treatment: Yes vs. No) \times 2 (rule knowledge: Yes vs. No)

between-subjects design. We manipulated preferential treatment and rule knowledge by filming videos about customer encounters in a hotel context. We recruited customers who visited hotels in the past six months via a Qualtrics panel and collected 303 usable responses. After watching one of the manipulated videos, participants completed a questionnaire that included measures of envy, anger, and intended program participation. Study 2 investigated the hypothesized relationships with a field study. We recruited 149 customers through M-turk to participate in this study. Participants were first instructed to recall a recent incident of witnessing preferential treatment received by other customers in a hotel context and then to complete a survey while thinking about the incident. Both studies examined the proposed research questions in the hotel context because the practice of customer prioritization is particularly prevalent in the hospitality context (Hoffman and Lowitt 2008; McCall and Voorhees, 2010).

Summary of Findings

The results of PROCESS Model 7 using 5,000 bootstrap samples and 95% confidence intervals revealed similar result patterns across both studies. We found that watching others receive preferential treatment led participants to experience the feelings of envy and anger.

As expected, while envy encouraged participants to participate in a loyalty rewards program to earn preferential treatment for themselves, anger discouraged program participation. In addition, we found support for the moderating effect

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of rule knowledge. Although the positive effect of witnessing preferential treatment on envy was not moderated by rule knowledge, the positive effect on anger was mitigated when participants knew the rules of preferential treatment practice.

Key Contributions

This research contributes in various ways to the marketing literature. First, while prior research mainly focused on studying the positive response of prioritized customers (e.g., Lacey et al., 2007) and the negative response of non-prioritized customers (e.g., Haenlein and Kaplan, 2010), the current research broadens the literature on customer prioritization by examining the possibility that nonprioritized

customers can respond positively to other customers' preferential treatment. Second, this research extends the envy literature by investigating how envy can facilitate marketing strategies and encourage favorable customer outcomes. Third, while the social comparison literature (e.g., Sundie, Ward, Beal, Chin, and Geiger-Oneto, 2009) primarily has studied how people compare themselves to a target with better performance, our research provides insight into the comparison in which a third party accounts for the discrepancy between a focal person and an upward comparison target. This research also offers marketing practitioners recommendations for managing customer prioritization practice.

References are available on request.

Advertising for Symbolic Consumption: Exploring the Moderating Effects of Conspicuous Consumption and Materialism

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Keywords: *advertising appeals, luxury products, conspicuous consumption, purchase intention, materialism*

EXTENDED ABSTRACT

Research on advertising appeal type has highlighted how consumers' product choice is influenced by the intrinsic attributes of the products. However, they have largely ignored conditions in which consumption is considered as a social tool, serving as a means of communication between the individuals and their reference group. This article investigates the promotional tools that are appropriate for luxurious products. Due to the symbolic properties of luxurious products, exploring the appropriate advertising's appeal type for promoting these products is necessary.

This research looks into two general advertising appeals (emotional and rational) and shows that for a luxurious product, applying emotional appeal (as opposed to rational appeal) would lead to higher purchase intention in individuals. Moreover, the moderating effect of materialism and conspicuous consumption on the relationship between the

advertising appeal type and purchase intention is investigated. The results showed that individuals with higher level of conspicuous consumption, show higher purchase intention to luxury products regardless of the advertising appeal type. Furthermore, the purchase intention of individuals with higher level of conspicuous consumption is higher when they were exposed to an ad with a rational appeal compared to the ad with an emotional appeal.

Finally, materialism also moderated the relationship between the ad appeal type and purchase intention. Specifically, individuals with higher level of materialism reported higher purchase intention when they viewed an ad with emotional appeal compared to when they viewed an ad with a rational appeal.

References are available on request.

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Kim, Sang-Joon	ES-14	Maehle, Natalia	IN-12
Kim, Stephen K.	BR-25	Mahajan, Vijay	MS-27
Kim, Yaeri	SM-12	Mai, Enping (Shirley)	HM-15
Kim, Yenee	SS-11	Mandal, Sudipta	CB-33
Kim, Yongjune	MS-19	Mangus, Stephanie	SS-22
Klein, Jan F.	CE-9, CB-72	Mani, Sudha	SS-28
Kleppe, Ingeborg A.	IN-12	Manika, Danae	ES-9
Klostermann, J.	DS-19	Manis, Kerry T.	IN-17
Kohli, Amarpreet	DS-32	Mansumitrchai, Somkiat	CB-10
Koo, Jakeun	CB-46	Marinova, Detelina	IN-33
Kordrostami, Elika	CE-27	Markovitch, Dmitri	MS-43
Kordrostami, Melika	CB-48	Matthes, Joseph	CE-15
Kothandaraman, Prabakar	SS-28	McDuff, Daniel	MR-13
Kowalczyk, Christine M.	CB-71	McFarland, Richard G.	SS-11
Kretzschmar, Roland	BR-4	Megehee, Carol M.	MR-23, MS-29
Krey, Nina	DS-31	Merfeld, Katrin	CB-72, IN-10
Kröckel, Markus	MS-34	Miao, Fred	SS-19
Kuang, Yunmei	DS-46	Miao, Murong	MS-46
Kulkarni, Atul A.	PR-10	Miller, Richard J.	DS-44
Kumar, Ratan	DS-25	Min, Soonhong	BR-33
Kumar, V.	MR-3	Mitchell, Corky J.	DS-37
Kurt, Didem	MS-9	Mitchell, Natalie	CB-71
Kwak, Hyokjin	SS-29	Mlingwana, Buhle	ES-25
Labban, Alice	MR-9	Monroe, Kent B.	PR-10
Lagos, Effie	CE-3	Mookerjee, Amit	CB-94, CE-11
Laudano, Maria Carmen	CB-5	Morath, Alice	GM-7
Lechner, Andreas T.	SM-4	Mu, Jifeng	IN-28, MS-32
Lee, Christina Kwai Choi	SM-16	Mukherjee, Amaradri	ES-6, SM-11
Lee, Jennifer J.	CB-65	Mukherjee, Atmadeep	SM-11
Lee, Seojin Stacey	SM-12	Munoz, Laura	DS-44
Lee, Youngsu	DS-35	Nagar, Komal	CB-8, CB-100
Leonhardt, James M.	DS-31	Nagy, Gabor	MR-23, MS-29
Li, Xiaohong	CB-82	Namin, Aidin	MR-6
Liat, Cheng Boon	CB-44, CB-53	Ndubisi, Nelson Oly	BR-31
Lien, Nai-Hwa	CB-21	Negreiros, Leticia	SS-31
Lim, Hyunwoo	MR-2	Ness, Håvard	MS-3
Lim, Isador C.Y.	IN-5	Neus, Florian	HM-18

Newton, Joshua	CB-15	Rossmann, Alexander	MS-5
Nguyen, Anh Thu	CB-27	Ruvio, Ayalla	SM-8
Nguyen, Thuy D.	CB-62	Sahay, Arvind	CB-33
Nicol, Cameron Duncan	MS-23	Saint Clair, Julian K.	MR-6
Niemi, Jarkko	SS-5	Sakib, Md. Nazmus	IN-16
Nimmermann, Frederic	HM-18	Salari, Nasir	CB-87, HM-20
Niraj, Rakesh	DS-39	Salvador, Alexandre Borba	HM-2
Norton, David A.	ES-4	Sandvik, Kåre	MS-3
Oh, Hannah	ES-14	Sata, Mesay	MS-3
Oh, Jeeyun	DS-50	Sattari, Kianoosh	DS-9
Onel, Naz	ES-2	Schneider, Sebastian	PR-11
Owen, Sian	ES-25	Scholz, Joachim	CB-11, DS-56
Ozcan, Basar	ES-16	Schramm-Klein, Hanna	HM-18
Ozcan, Timucin	ES-2	Schrock, Wyatt A.	CB-23
Pagiaslis, Anastasios	MR-11	Schüller, Sophie Charlotte	GM-7
Paluch, Stefanie	SM-30	Schulten, Matthias B.	DS-18
Pan, Xuan	BR-6	Schultz, Jennifer L.	HM-16
Pandey, Santosh Kumar	CE-11, CB-94	Schumann, Jan H.	BR-19
Papagiannidis, Savvas	ES-9	Schürmann, Katharina	DS-52
Pappu, Ravi	IN-5	Schweitzer, Nicola	IN-18
Pappu, Usha L.	CB-98, MR-7	Sedler, Erica	DS-32
Park, Kiwan	SM-12	Sekhon, Tejvir	MS-32
Park, Sun-Young	DS-54	Selnes, Fred	MR-10
Pathak, Bharati	CB-58	Seo, Kyowon	PR-4
Patnaik, Sandeep	MR-25	Seok, Junhee	PR-4
Paul, Michael	CE-9	Serer, Rafael R.	BR-23
Pauwels, Koen	ES-16, MS-21	Shahriari, Elmira	BR-2
Peng, Chenming	MS-21	Shamsollahi, Ali	BR-34
Pereira, Rita de Cassia de Faria	BR-36	Sharda, Nikita	CB-67
Pham, Phuoc	DS-7	Shi, Linda Hui	CB-63
Plumeyer, A.	DS-19	Shin, Hyun S.	DS-48
Ponomarenko, Veronika	MR-26	Shoham, Aviv	GM-2
Poushneh, Atieh	CE-2	Sim, Woojong	DS-9
Prentice, Catherine	MR-23	Singh, Aditya U.	CB-40
Pullins, Ellen	SS-5	Singh, Jagdip	SS-20
Purani, Keyoor	DS-5	Singh, Rakesh K.	SS-13
Qazi, Aban Abid	CB-37	Smith, Andrew	CB-11, MR-11
Qi, Jiayin	MS-32	Smith, Dave	HM-20
Qu, Yingge	MR-3	Sole, Kathleen M.	HM-8
Quarles, Brian	CB-10	Son, Jaebong	DS-35
Rabino, Rebecca	CB-19	Soni, Nitin	BR-5
Rackwitz, Sam	DS-56	Souchon, Anne L.	CE-23
Rahim, Rezuan Abdul	CB-53	Spaid, Brian	CE-15
Rajabi, Reza	MS-49	Srini, Swaminathan	SS-29
Raju, Sekar	CB-48	Srivastava, Chandra	MS-27
Ramirez, Edward	IN-25	Srivastava, Gautam	SS-13
Ratchford, Brian T.	MR-6	Srivastava, Vibhava	DS-25
Rauschnabel, Philipp A.	DS-18	Steel, Marion	CE-3, CE-8
Rialti, Riccardo	CB-5	Stephenson, Christopher	DS-32
Roggeveen, Anne	SM-21	Stergiuiz, Stephanie	PR-11
Rokonuzzaman, Md	SM-11	Sun, Ge	CB-80
Rollin, Robér	HM-18	Sun, Qianming	BR-6
Ross, Jr., William T.	ES-4	Sun, Ruohao	MR-10

Sundar, Aparna	CB-19	Wang, Xinchun	IN-2, MS-31
Supramaniam, Sivakumari	DS-12	Wang, Yaqiong	MS-17
Swart, William	HM-15	Wang, Ying	DS-21
Swoboda, Bernhard	CB-83, GM-5	Wang, Zheng	MS-19
Takhar, Amandeep	CB-102	Weber, Konya R.	HM-16
Tan, Jian Ming	CB-38	Wei, Chuang	SM-18
Tang, Chuanyi	ES-8	Wei, Shuqin	GM-8
Tang, Yihui (Elina)	IN-33	Wei, Vincent Ng Chun	CB-44
Taras, Vas	DS-27	Wei, Zelong	GM-3
Teoh, Chai Wen	CB-104	Weiger, Welf H.	DS-64
Thai, Trung Dam-Huy	DS-60	Weisstein, Fei L.	PR-7
Themistocleous, Christos	MR-11	Wen, Xiaohan (Hannah)	CB-17
Thomas, S.P.	GM-4	Wieland, Heiko	SS-20
Thomas, Sujo	CB-58	Wilhelms, Mark-Philipp	CB-72, IN-10
Thompson, Scott	CE-22, DS-9, DS-46	Winters, Amelie	CB-83
Tikkanen, Henrikki	ES-12	Wolter, Lisa	MR-13
Tjiptono, Fandy	SM-16	Wong, Jimmy	CB-15
Tombs, Alastair G.	CB-98, IN-5, MR-7	Woodside, Arch G.	MR-23, MS-29
Toporowski, Waldemar	DS-64	Wu, Gavin Jiayun	MS-45
Torres, Ivonne	BR-2	Wu, Xiaochuang	CB-82
Totzek, Dirk	SS-26	Xiao, Nan	IN-16
Tralaggan, Stefanie	CE-8	Xu, Kaiquan	MS-17
Tran, Trang P.	DS-58	Xu, Zhenning (Jimmy)	DS-32, IN-25
Tripathi, Sanjeev	CB-33	Yang, Chia Yen	SM-16
Trivedi, Minakshi	DS-10	Yang, Ta-Kai	CB-4, CB-7
Tse, Sin Yan	IN-9	Yap, Sheau Fen	DS-12
Uddin, Syed Muhammad Nizam	MR-21	Yazdanparast, Atefeh	CB-31
Umar, Setiadi	BR-31	Ye, Pengfei	MS-43
van Dalen, Arjen	ES-31	Yilmaz, Cengiz	CB-13
Van Steenburg, Eric	ES-7, ES-18	Yim, Mark Yi-Cheon	DS-54
Van Steenburg, Robert A.	ES-7	Yoo, Chan Y.	DS-54
Vasquez, Arturo	CE-2	Yuan, Hong	CB-74
Velan, Dalia	GM-2	Zang, Shuwei	BR-6
Venkatesh, R.	MS-9	Zang, Zhimei	SS-19
Verma, Swati	PR-8	Zhang, Honghong	CB-80
Vestergaard, Alice Jacobs	HM-8	Zhang, Junzhou	CE-18, ES-8
Vieira, Valter Afonso	BR-36	Zhang, Qi	ES-8
Vincent, Racheal Louis	SM-27	Zhang, Sha	MS-21
Volpers, Stephan	BR-4, SS-4	Zhang, Tracy J.F.	IN-9
Voorhees, Clay M.	SM-8	Zhao, Yi	MR-3
Wagner, Christian	MR-11	Zheng, Xiaoyun	SM-25
Waller, David S.	ES-20	Zheng, Yi	SS-19
Wang, Danny T.	IN-9	Zhu, Fengxia	GM-3
Wang, Hao	MR-26	Zielke, Stephan	PR-2
Wang, Joyce (Feng)	CE-19	Zolfagharian, Mohammadali	CB-55, CB-85
Wang, Qizhou	ES-4	Zollo, Lamberto	CB-5
Wang, Rui	MS-19	Zulu, Valencia Melissa	DS-14
Wang, Shuo	PR-6	Żyminkowska, Katarzyna	CE-13
Wang, Tien	DS-60	Żyminkowski, Tomasz	CE-13
Wang, Xiaoyan	SS-19		