

**Allied Academies
International Conference**

**Tunica, MS
April 2-4, 2008**

**Academy of
Marketing Studies**

PROCEEDINGS

Table of Contents

STUDENT EVALUATIONS OF COURSE ATTRIBUTES
OF ONLINE COURSES VERSUS ON-GROUND
COURSES: IMPACT OF STUDENT PERSONALITY
TRAITS 1
M. Meral Anitsal, Tennessee Tech University
Ismet Anitsal, Tennessee Tech University
Bonita Barger, Tennessee Tech University
Ismail Fidan, Tennessee Tech University
Michael R. Allen, Tennessee Tech University

E-COMMERCE IN NON-METRO REGIONS: ON-LINE
PURCHASES AND IMPLICATIONS FOR BUSINESSES 9
Adee Athiyaman, Western Illinois University

AN EXPLORATION INTO MODELING SUSTAINABLE
CONSUMPTION: THE CASE OF ANIMAL-BASED
TRADITIONAL MEDICINES 11
Adee Athiyaman, Western Illinois University

SOME CAREER IMPLICATIONS FROM THE INCOME
STATEMENT: ON MARKETING YOURSELF TO TOP
MANAGEMENT 13
Richard P. Carr, Jr., University of Arkansas at Pine Bluff

NUTRITION MARKETING ON FOOD LABELS 17
Sarah E Colby, East Carolina University

CRITIQUING A STUDY OF THE MARKET
EFFECTIVENESS OF INTERNET MEDIA AMONG
U.K. NON-PROFIT ORGANIZATIONS 23
D. Adrian Doss, Belhaven College
Lacey D. Holland, Mississippi University for Women
I Chun Lisa Chen, Yuanpei University

THE CHANGING PHARMACEUTICAL SELLING
ENVIRONMENT 29
Christopher S. Foster, Longwood University
John N. Gaskins, Longwood University

WHEN THE GOAL IS CREATING A BRAND
PERSONALITY, FOCUS ON USER IMAGERY 31
J. Bryan Hayes, Mississippi College
Bruce L. Alford, Louisiana Tech University
Louis M. Capella, Mississippi State University

CONCEPTUALIZING RETAIL ATMOSPHERICS IN
THE ONLINE SHOPPING CONTEXT 33
Stuart Heyworth, University of Canterbury, Christchurch, New Zealand
Jai Lyons, University of Canterbury, Christchurch, New Zealand
Jamyne Foster, University of Canterbury, Christchurch, New Zealand

MULTICHANNEL SHOPPING AND SATISFACTION:
THE ROLE OF SHOPPING EXPERIENCE AND
CUSTOMER-FIRM RELATIONSHIP
CHARACTERISTICS 35
Young-Hyuck Joo, Hansung University, Korea

THE IMPORTANCE OF PRODUCE IN GROCERY
SHOPPING FOR UNIVERSITY STUDENTS IN THE
MIDWEST 37
Martin Meyers, University of Wisconsin at Stevens Point

MACROMARKETING AND MARKET ORIENTATION
EFFECTS ON ECONOMIC GROWTH
A CONCEPTUALIZATION MODEL 41
Dr. Rodney Oudan, Worcester State College

A PRELIMINARY STUDY OF THE RELATIONSHIPS
AMONG CONSUMER SATISFACTION, LOYALTY, AND
MARKET SHARE IN HEALTH CLUB CONSUMERS 51
Larry P. Pleshko, Kuwait University
Samar M. Baqer, Kuwait University

PILOT STUDY OF THE PERCEPTIONS OF SMALL
DOWNTOWN RETAILERS REGARDING THE IMPACT
OF MEGA STORES: AN OPTIMUM BALANCE DESIRED 59
Dr. James Ricks, Southeast Missouri State University
Dianne Pettypool, Southeast Missouri State University

STUDENT EVALUATIONS OF COURSE ATTRIBUTES OF ONLINE COURSES VERSUS ON-GROUND COURSES: IMPACT OF STUDENT PERSONALITY TRAITS

M. Meral Anitsal, Tennessee Tech University
manitsal@tnitech.edu

Ismet Anitsal, Tennessee Tech University

Bonita Barger, Tennessee Tech University

Ismail Fidan, Tennessee Tech University

Michael R. Allen, Tennessee Tech University

ABSTRACT

In parallel with the growing popularity of distance education, a new stream of research on understanding the profile of students who prefer online courses over traditional face-to-face courses is emerging. The extant literature on the role of personality in students' perceptions of on-line education success is currently limited. This exploratory research study fills an important gap in online education literature by comparing online and on-ground courses containing similar course structures created by five different instructors from marketing, management, engineering and mathematics. Specifically, student evaluation of on-line and on ground courses identified differences about students' perceptions of instructor contribution to student learning. Personality differences of students in online and on-ground courses were also evaluated by using the Five Factor Model of personality as well as need for cognition and self-sufficiency. Findings indicate that on-ground students were more extraverted and had less need for cognition while online students were more emotionally stable.

INTRODUCTION

The diffusion of online education into the higher education world is fast, thanks to several advantages it offers to students including flexibility, adaptability, accessibility and controllability over students' learning experience (Borstorff 2007). The review of literature indicates that faculty has a neutral attitude in terms of teaching an online course at baccalaureate and masters levels; but does not welcome a distance course at doctoral level of instruction (Ross and Seymour 1999). However, there are some concerns from instructors as well as students that need to be addressed about e-learning. Those concerns include lack of time, lack of interest/motivation, lack of co-operation, and compensation system. The concerns of the students were important as well and mostly concentrated on lack of technical knowledge required by a web based course and existence of web based alternatives (Mihhailova, 2006)

In a recent meta-analysis comparing the effectiveness of web-based and classroom instruction, Sitzmann, Kraiger, Stewart and Wisher (2006) concluded that classroom instruction was marginally more effective than web-based instruction in terms of teaching declarative knowledge. Both delivery methods were equally effective for teaching procedural knowledge. Lever, Gerlich and Pearson (2006) found that online courses become popular among undergraduate students as they enroll on a combination of online and on-ground courses. In contrast, they found that the traditional student of online courses were defined as older, married, non-residential, has a full-time job, and mostly female. They concluded that further research on the demographic and behavioral characteristics of online versus on-ground students were necessary in order to do better segmentation and strategy development for institutions that offer educational programs for both segments.

Williams, Nicholas and Gunter (2005) mentioned that there was also a need to compare student perceptions and attitudes in distance versus face-to-face environments. The objective of this research is to understand how students of online and on-ground courses evaluate course attributes. Furthermore, this research attempts to relate personality traits of students who received courses in both delivery methods.

METHOD

This research is a multidisciplinary collaborative research comparing online and on-ground delivery methods in a southern state university. The instructors from Marketing, Management, Engineering and Mathematics disciplines joined their efforts for this study. All of these instructors offer on-ground and online courses in their disciplines. The data have been collected in summer 2007 and fall 2007. This study included preliminary analysis of how students evaluate both on-ground and online courses. Total usable sample size is 100. Data collection for a larger study will be completed by the end of fall 2008 semester.

The course attributes (features) were measured in 16 items that apply to all courses from the four disciplines. The items were developed by instructors. The personality traits items were adopted from previously developed scales. Five Factor Model of personality including introversion/extraversion, antagonism/agreeableness, lack of direction/ conscientiousness, neuroticism/ emotional stability and openness/closeness to new experiences were fully tested by Perriatt, Chakrabarty and Lemay (2007). The items for need for cognition were adopted from a previously developed 18-item scale, of which five items were used (Scale #238, Marketing Scales Handbook). Self-sufficiency was the last personality trait that was examined by this study. The items were adopted from self sufficiency scale of Netemeyer, Burton and Lichtenstein (Scale #320 Marketing Scales Handbook).

Scale factor loadings and reliabilities were provided in Table 1. Even though this is a preliminary study with low statistical power, factor loadings and Cronbach's alpha indicate adequate level of reliability and validity for further analysis.

RESULTS

The 16 items that measure course features covered overall course organization and instructors' approaches to the courses (Table 2). All averages were well above 3 indicating strong

level of agreement with the course design statements. The perceptual difference between online and on-ground courses arises from the instructor-student interaction element. On-ground course students found their instructors more knowledgeable than online course students. Furthermore, on-ground course students thought that their instructor provided more individualized attention. They also enthusiastically went well beyond the norm in helping the entire class to have a good learning experience as well as realize the important learning points of the course. On-ground students also thought that there was enough information given to navigate the course site.

This study also found personality profile differences between students in online courses versus students in on-ground courses. In all need for cognition construct, students of on-ground courses had significantly less need for thinking than students of on-line courses (Table 3). Furthermore, on-ground courses' students were significantly different from on-line courses students in terms of depending on anyone else to get things done and living their lives in any way they want to (self-sufficiency construct) (Table 4).

The results about the five factor model of personality indicated that students of on-ground courses were extravert and enjoy having a lot of people around them (Table 5). However, students of on-line courses had less neurotic approaches and had more emotional stability than students of on-ground courses. Agreeableness scale measured the differences in their willingness to cooperate with others and avoid arguments. Students of on-ground courses were found to be more agreeable. The two items of conscientiousness scale, "I am not a very methodical person" and "I waste a lot of time before settling down to work", showed a significant difference between the two groups. Apparently, students of on-ground courses agreed with these two statements more than the students of on-line courses. Openness to new experiences scale did not indicate any difference between the two groups.

CONCLUSIONS

This study fills an important gap in on-line education literature. It compares on-line and on-ground courses that were offered with similar course structures by the same instructors. It also compares student personality traits for these courses. The instructors' contributions to the courses were more than satisfactory with mean scores of 4 and above on a 5-point Likert scales. However, students still reported some differences in their perceptions of their instructors.

Students of on-ground courses appreciated the constant monitoring and correction coming from their instructors. The teachable moment of contact seemed to be very important for these students as they had less need for cognition. They wanted somebody (their instructor) to guide them through the tricky roads of learning. They had also more neurotic inclinations compared to the students of on-line courses. This trait, most probably, caused them to appreciate the "handholding" while navigating the important learning points of the course. Their extravert personality and agreeableness might cause them to enjoy fellow students and hence to prefer an on-ground course. The result of this environment might be the creation of group dynamics that promoted better learning perceptions compared to the perceptions of students of on-line courses.

A limitation of this study was its statistical power. Sample size was restricting its generalizability. But, the results are encouraging. Caution must be exercised though, as these results were only preliminary in nature. Data collection will continue until a satisfactory sample size is achieved for

all types of courses. The tests for reliability and validity will be repeated and a detailed discussion of constructs will be offered in a future manuscript.

ACKNOWLEDGEMENTS

This research was made possible by the Tennessee Tech University - Collaborative Research Award provided by the Office of Research, College of Business, MBA Program, Department of Mathematics, Center for Energy Systems Research, and School of Interdisciplinary Studies and Extended Education. The authors also appreciate the valuable research assistance of Kenneth Wiant, Sindhumathi Selvaraj and William T. Finney.

REFERENCES

- Borsttorff, Patricia C. and S. Keith Lowe (2007), "Student Perceptions and Opinions Toward E-Learning in the College Environment," *Academy of Educational Leadership Journal*, Vol. 11, Iss. 2, 13-29.
- Bruner II, Gordon C., Karen E. James, and Paul J. Hensel (2001), *Marketing Scales Handbook: A Compilation of Multi-Item Measures*, Volume III, American Marketing Association, Chicago, Illinois.
- Lewer, Joshua J., R. Nicholas Gerlich, and Terry Pearson (2006), "Market Segmentation for Online Courses in the College of Business," *Academy of Marketing Studies Journal*, Vol. 10, Iss. 2, 95-105.
- Mihhailova, Gerda (2006), "E-Learning as Internationalization Strategy in Higher Education: Lecturer's and Student's Perspective," *Baltic Journal of Management*, Vol. 1, Iss. 3, 270-284.
- Ross, Gary and Tom Seymour (1999), "Attitudes of Business College Faculty and Administrators Toward Graduate-Level Distance Education: A National Survey," *The Journal of Computer Information Systems*, Fall, Vol. 40, Iss. 1, 51-56.
- Sitzmann, Traci, Kurt Kraiger, David Stewart and Robert Wisher (2006), "The Comparative Effectiveness of Web-Based and Classroom Instruction: A Meta Analysis," *Personnel Psychology*, Autumn, Vol. 59, Iss. 3, 623-664.
- Periatt, Jeffery A., Subhra Chakrabarty and Stephen A. Lemay (2007), "Using Personality Traits to Select Customer-oriented Logistics Personnel," *Transportation Journal*, Vol.46, Iss.1 (Winter), 22-38.
- Williams, Pete, David Nicholas and Barrie Gunter (2005), "E-Learning: What the Literature Tells Us About Distance Education: An Overview," *Aslib Proceedings: New Information*, Vol. 57, Iss. 2, 109-122.

TABLE 1
SCALE VALIDITY AND RELIABILITIES

Scale	Validity		Reliability (Cronbach's α)
	Item	Factor Loadings	
Need For Cognition	44	0.759	0.793
	45	0.861	
	46	0.416	
	47	0.742	
	48	0.586	
Self Sufficiency	49	0.554	0.561
	50	0.563	
	51	0.849	
	52	0.556	
	53	0.873	
Extraversion/ Introversion	54	0.796	0.740
	55	0.851	
	56	0.594	
Neuroticism	57	0.706	0.487
	58	0.770	
	59	0.519	
Openness to Experience	60	0.617	0.678
	61	0.766	
	62	0.834	
Agreeableness/ Antagonism	63	0.630	0.618
	64	0.597	
	65	0.753	
Conscientiousness	66	0.430	0.633
	67	0.815	
	68	0.695	
	69	0.716	

TABLE 2 COURSE DESIGN FEATURES			
	Course Design Features	Course Means	On-Ground Course Means
2	The course was well organized.	4.32	4.51
3	The thought process underlying the course was understandable.	4.26	4.27
4	The explanations regarding the work to be done in the course were easy to follow.	3.93	4.28
5	The situations presented in the course were reflective of the real world.	4.11	4.42
6	There was enough time to think through the problems presented in the course.	4.24	4.43
7	My instructor provided individualized attention throughout the course.	3.76	4.54
8	My instructor was knowledgeable.	4.39	4.78
9	My instructor provided timely feedback about how well we performed.	4.47	4.65
10	My instructor was helpful in explaining the issues that had to be addressed in the course.	4.13	4.46
11	My instructor was very good in coaching me/my team.	3.94	4.19
12	My instructor was very enthusiastic about using WebCT/Blackboard/iLearn in this course.	4.16	4.65
13	My instructor went well beyond the norm in helping the entire class have a good learning experience.	3.94	4.57
14	My instructor helped us to realize the important learning points of the course.	4.03	4.46
15	There was enough information given to navigate the course site.	4.1	4.54
16	There were enough student assessment practices such as tests, homework, exercises or projects to monitor our learning	4.58	4.62
5 Point Likert Scale; 1= Strongly Disagree; 5= Strongly Agree Bold = Significant at $\alpha = 0.05$; Italic = Significant at $\alpha = 0.10$ Total n = 100; n for online courses = 63; n for on-ground courses = 37			

	Items	Online Course Means	On-Ground Course Means
44	Thinking is not my idea of fun.	2.02	2.59
45	I would rather do something that requires little thought than something that is sure to challenge my thinking abilities.	1.87	2.62
46	I prefer to think about small, daily projects to long-term ones.	2.55	3.35
47	Learning new ways to think doesn't excite me very much.	1.94	2.51
48	I feel relief rather than satisfaction after completing a task that required a lot of mental effort.	2.38	3.03

5 Point Likert Scale; 1= Strongly Disagree; 5= Strongly Agree
Bold = Significant at $\alpha = 0.05$

	Items	Online Course Means	On-Ground Course Means
49	I rarely depend on anyone else to get things done.	3.38	3.81
50	I like to take responsibility for making decisions.	4	4.27
51	I am more capable than other people.	3.61	3.73
52	I can live my life in any way I want to.	3.47	4.11
53	I always know what I am doing.	3.35	3.19

5 Point Likert Scale; 1= Strongly Disagree; 5= Strongly Agree
Bold = Significant at $\alpha = 0.05$; Italic = Significant at $\alpha = 0.10$

TABLE 5 THE FIVE FACTOR MODEL OF PERSONALITY				
		Course Design Features	Online Course Means	On-Ground Course Means
Extraversion	54	I like to have a lot of people around me.	3.24	3.7
	55	I really enjoy talking to people even complete strangers.	3.35	3.81
	56	I would rather be a leader of others.	3.74	3.83
Neuroticism	57	I am not a worrier.	2.68	2.11
	58	I am seldom sad or depressed.	3.81	3.35
	59	At times I have been so ashamed I just wanted to hide.	4.07	3.81
Open to Experi.	60	I often try new and foreign foods.	3.52	3.68
	61	I often enjoy playing with theories or abstract ideas.	3.51	3.11
	62	I am intrigued by the patterns I find in art and nature	3.55	3.46
Agreeableness	63	I try to be courteous to everyone I met.	4.45	4.65
	64	I would rather cooperate with others than compete with them.	3.63	4.46
	65	I don't like to get into arguments with my family, friends and co-workers.	4	4.43
Conscientiousness	66	I am not a very methodical person.	2.48	3.14
	67	I never seem to be able to get organized.	2.05	2.38
	68	I find it hard to keep my belongings clean and neat.	2.25	2.3
	69	I waste a lot of time before settling down to work.	2.5	3.32

5 Point Likert Scale; 1= Strongly Disagree; 5= Strongly Agree
 Bold = Significant at $\alpha = 0.05$; Italic = Significant at $\alpha = 0.10$

E-COMMERCE IN NON-METRO REGIONS: ON-LINE PURCHASES AND IMPLICATIONS FOR BUSINESSES

Adee Athiyaman, Western Illinois University

ABSTRACT

Descriptive studies of Internet purchasers profile the average purchaser as a resident of metropolitan area. While concepts such as "digital divide" have been used to explain the lack of Internet transactions in non-metro areas, little or no research has explored the relevance of product-specific variables in explaining Internet transactions. This research attempts to bridge this gap. Specifically, the "FCB grid" is used to analyze Internet purchases in non-metro Illinois. Based on these analyses, implications for both virtual and brick-and-mortar businesses in non-metro regions are discussed. A key finding is that Internet transactions predominantly deal with "functional" products and speed of Internet connection doesn't influence residents' quality of life perceptions.

AN EXPLORATION INTO MODELING SUSTAINABLE CONSUMPTION: THE CASE OF ANIMAL-BASED TRADITIONAL MEDICINES

Adee Athiyaman, Western Illinois University

ABSTRACT

Since its origin, humankind has relied on animal-based traditional medicine (ATM) for their primary health care. Labeled "zootherapy", the use of medicines obtained from animals is suggested as cure for ailments ranging from arthritis to HIV Aids. One of the most commonly used animal species in ATM is the tiger. In fact, ATM is named the top conservation threat, above the loss of habitat, for the depleted tiger population. Tiger parts used in medicine include: (i) eyeballs to treat epilepsy, (ii) whiskers to treat toothache, (iii) bones to treat arthritis, (iv) brain to treat laziness and pimples, and (v) tail to treat skin diseases.

While India, which has the largest tiger population in the world, is clamping down on illegal tiger trade, it is essential to note that a high demand for tiger parts and derivatives could overcome barriers to supply; it is like squeezing an inflated balloon: constrict in one place and it expands somewhere else. For instance, some of the Southeast Asian nations such as Myanmar, and Cambodia are not signatories to the Convention on International Trade in Endangered Species (CITES). Hence, they do trade tiger parts. In fact, in Myanmar, hunting tigers is legal. What is needed to eliminate the demand for tiger parts is a change in consumer behavior.

How could consumption theories be used to derive strategies to reduce demand for tiger parts? What is the role of spatial proximity in the disadoption process? This research addresses these and other similar questions.

SOME CAREER IMPLICATIONS FROM THE INCOME STATEMENT: ON MARKETING YOURSELF TO TOP MANAGEMENT

Richard P. Carr, Jr., University of Arkansas at Pine Bluff

ABSTRACT

College graduates seeking positions would be a lot more successful –irrespective of their major -- if they considered the interests of top management, and not the Human Resources office. To this end, the basic structure of the Income Statement (i.e., Revenue, Total Expenses, and Profit/Loss) is examined cross-sectionally and from the perspective of Profit/Loss, or more simply, "profitability." Arguably, increasing profitability is top management's long-term responsibility and interest.

From this perspective, most majors, even business school majors, are attempting to battle their way into Total Expense positions. But to increase profitability, these are the very ones that top management is eliminating, outsourcing, or at best, "freezing." Sadly, this is true, regardless of level of degree (bachelor, masters, doctorate), or academic accomplishment (superior grades), or the prestige (and tuition) of the school. An expense is still an expense.

All is not lost. Grads can gain a considerable tailwind if they actually align themselves with the logic of the Income Statement and actively assist top management in increasing Revenue. This new-found marketing posture does not necessarily mean accepting (presumably distasteful) direct sales positions. But it does mean knocking on the door of the Marketing Department (not Human Resources) and creating positions that directly support the sales function. Such positions can range from merely generating additional sales time for the firm's top rep, all the way to developing productivity improvement projects with outside consultants that can significantly increase the firm's sales to its existing key accounts.

INTRODUCTION

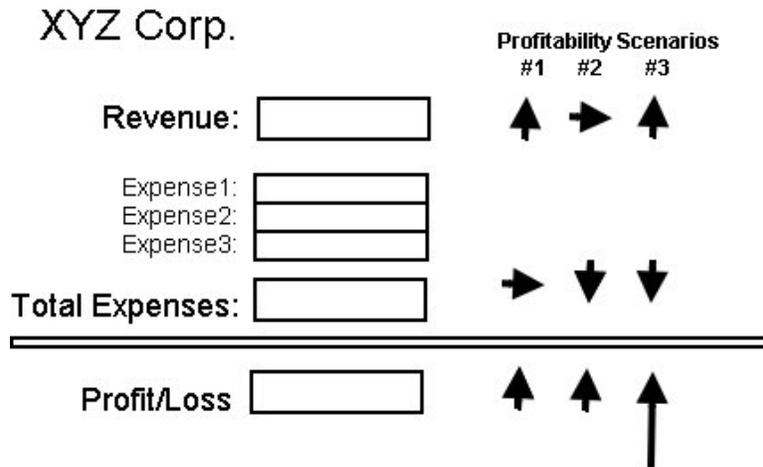
College graduates seeking full-time positions after graduation will find that their success is very much influenced by three factors: the supply and demand situation for that position, its "certainty," and mitigating factors. Of these three, supply and demand is the most dominant. But understanding all the factors can, and should, change a graduate's approach – making the desired employment outcome much more likely, especially if a specific firm has been targeted.

SUPPLY AND DEMAND

The supply and demand for a position is largely determined by where it is "located" in the Income Statement (also referred to as the Profit and Loss Statement). The Income Statement and

the Balance Sheet are the two, primary, financial documents used to control and manage firms. The Income Statement, however, reflects the firm's profitability. The position's role in achieving this profitability, largely determines its supply and demand, as suggested in the figure below.

Figure. 1 The Income Statement and Profitability Scenarios



The Profitability Scenarios above reflect the three main ways of increasing profitability. For example, in scenario #1 the "up arrow" indicates that Revenue has increased, while the "side arrow" reflects the fact that Total Expenses have remained constant, resulting in an increase (up arrow) in the Profit/Loss section. (For the sake of simplicity, only the "major" directions of up, down, and sideways are included). Simply put, top management's responsibility and interest is to make the Profit/Loss arrow go up, and higher is better.

A cross-sectional analysis of the arrows across all three profit scenarios results in some straight-forward career implications that are hard to refute by even the most contrary and resolute graduate. For example, look for the "missing" arrows in the Revenue and Total Expenses. Note that there are no "down arrows" in Revenue, because an increase in profits does not result from a decrease in Revenue. Similarly, there are no "up arrows" in Total Expenses because profits do not increase from a rise in Total Expenses. In summary – all other factors being equal -- top management's focus on increasing profitability results in predictably greater demand for positions that are associated with producing Revenue (e.g., marketing), than for positions that are located in Total Expenses (all other majors).

This analysis does not suggest that non-marketing positions have no value. Firms do not stay in business if they do not produce products/services, pay taxes and payrolls, etc. Rather, this analysis pertains to creating positions at the margin, i.e., the new positions from growth or turnover. Here, the position needs of marketing will be met first. But after the basic positional needs of Total Expenses are met, the demand for any new positions in this area will have a "necessary evil" or "last hired, first fired" feeling about them.

Completing the "supply and demand" assessment, graduates seeking Total Expense positions, also face an unfavorable, over-supply situation as well. Beyond the very large number

of non-marketing major fields of study, there is also a very powerful, social factor which steers graduates away from seeking marketing-related positions. This factor is the widespread experience with fund-raising events, in earlier years, that cause graduates to seek any position but marketing/sales (i.e., Total Expense positions). Consequently, graduates seeking Total Expense positions face the worst of both worlds – a greatly reduced demand and an over supply. On the other hand, graduates desiring Revenue positions enjoy increased demand and reduced supply.

"CERTAINTY" OF FINANCIAL RESULT

Beyond the amount of profit indicated by the Income Statement, top management must be concerned about its certainty or predictability. In this regard, Revenue is, again, very different from Total Expenses. Quarterly rents, salaries, benefit payments etc. are much more certain or predictable expenses than are quarterly Revenues, given a reasonably competitive market. Consequently, the Revenue function is again favored by management's attention -- ensuring its needs are met first, and its achievements are recognized and rewarded first.

MITIGATING FACTORS

The most important mitigating factor to the Income Statement analysis is rapid growth. Firms that are growing very rapidly, must either add positions in the Total Expense sector or outsource to other firms that will be hiring. Accordingly, graduates seeking Total Expense positions would be well advised to approach firms on the Inc. 500 or Inc. 5000 lists, as opposed to the slower growing Fortune 500.

THE MAIN IMPLICATION: MARKET YOURSELF TO TOP MANAGEMENT BY INCREASING REVENUE

Given management's focus on profitability, Revenue producing positions are clearly favored in terms of supply and demand, as well as management's attention. Surprisingly, graduates can obtain these benefits without having to accept direct sales positions, and all the past, negative associations. But graduates must be in direct and valued support of the sales function. Such a position could be an "assistant" that is assigned to the top two or three sales reps of a firm. The assistant handles all non-sales activities, ranging from clerical to pre-call and post-call, to follow-up activities for the assigned reps. This generates additional sales time that should result in an immediate increase in revenue, because they are already the most successful reps, and probably time limited.

A more professional position might be focused on obtaining a major increase in the firm's penetration of an existing key account, this month or quarter. To this end, the firm would need to know of some productivity improvement program (e.g., ISO 9000 certification) that the key account already desires, but has delayed implementation because of high consulting fees charged by the major houses. The graduate's task would be to get bids over the internet from individual consultants with extensive ISO 9000 experience, who would be willing to deliver the project through an aggressive use of videoconferencing, and thus at approximately 10 per cent of cost of the consulting

house. The graduate's bargaining position is strengthened because even more dramatic cost reductions have actually been achieved, and in the delivery of ISO 9000 consulting. For example, Cisco Systems, as discussed in "Streaming Video: Cost-Saving, High-Impact Communications," achieved 9001 (process) and 14001 (environmental) certifications using traditional training methods, but at an estimated cost of \$1,400,000 over 9 months. In the recertification effort the next year, videoconferencing was used, reducing the cost to \$32,000 (a reduction to approximately 2.3 per cent of the original cost) and the time to 3 months. Yet Cisco was rated #2 out of the 500 companies recertified that year (Cisco Systems, 2006). (In this regard, the graduate could informally approach a firm of interest, perhaps on an internship, to actually see what reductions he/she could obtain, given some other productivity program and its set of individual consultants).

In any event, given the bids obtained by the graduate, the firm would approach the key account with the following proposition: transfer the desired (and substantial) business from a competitor to the firm, and the firm will facilitate the ISO 9000 certification effort at the substantially reduced rate (e.g., 10 cents on the dollar). If the key account accepts, the graduate could be assigned to provide on-site support by videoconferencing. Significantly, the graduate could be assigned to several such projects simultaneously, and across several key accounts. Given reasonable success rates, the grad could rather quickly become a valued contributor to Revenue, and thus to management's profitability.

In summary, this would be a new position in the Marketing Department, actually created because it has the prospect of significantly increasing Revenue and profitability. The career implication from the income statement analysis is that a graduate seeking a Total Expense position would not be afforded a similar opportunity to make a comparable contribution.

NUTRITION MARKETING ON FOOD LABELS

Sarah E Colby, East Carolina University

ABSTRACT

Marketing may be contributing to the obesity epidemic by influencing consume food purchasing and consumption behaviors. The Institute of Medicine has called for research to investigate the influence of environmental factors, such as marketing of food and beverages, on children's dietary behaviors. The influence that front of packaging marketing has on consumer purchasing intent is currently largely unknown. Policy makers are struggling to develop food marketing policies to help reverse childhood obesity but have limited evidence on which to base their policies. The purpose of this review is to investigate the role of front of label nutrition marketing as influential factor in dietary behavior.

INTRODUCTION

Given the serious rise in obesity and specifically childhood obesity, the practice of marketing non-nutrient dense foods to children has instigated a worldwide debate regarding legal policy and food industry responsibility. The debate on marketing of non-nutrient dense foods to children should not overshadow the need to understand the role and potential benefits of marketing in the worldwide obesity epidemic. Marketing influences consumer food purchasing and consumption behavior. By influencing purchasing and consumption behaviors, marketing may be a contributing factor in the obesity epidemic.

Table 1. Definitions of Marketing Terms used in the Review.

Nutrition marketing- Any marketing (including marketing on television, radio, or food labels) of food or beverages using health or nutrition information beyond minimum requirements.

Traditional marketing- Marketing which does not contain health claims or additional nutrition information.

Marketing- Nutrition marketing and/or traditional marketing.

Historically, television advertisements have been considered the dominant marketing strategy for food/beverage products. Although television is still considered the most common strategy used, there are many other emerging and commonly used marketing strategies including: nutrition information on food labels, embedded marketing (e.g. product placement in television shows, movies, games, magazines, etc.), viral marketing ("word of mouth"), sales promotions (e.g. coupons, direct mailings, catalogs, etc.), co-branding (two different companies create one new product),

cross-promotions (new products introduced and sold with existing products), marketing tie-ins (e.g. restaurants using movie promotional materials), premiums (e.g. toys or giveaways with product purchase), on-line promotions (e.g. games, targeted e-mailing, etc.), event and location marketing (e.g. school, sporting events, etc.) and wireless marketing (e.g. cell phones, PDAs, pagers, etc.).¹ Marketing campaigns may use many of these strategies in combination.

The purpose of this article is to review the current research on marketing on food labels and the possible relationship to obesity.

FOOD LABELS

Although most nutrition and marketing research is focused on the impact of television advertising, nutrition marketing used on food labels and in food service may also influence consumption patterns. Most consumers believe that food can help prevent disease and enhance health.² Product consumption is driven not only by product avoidance strategies, but also by health-promoting product seeking.² Health claims can alter consumers' perceptions toward specific food products.³ Research has shown that products with health information on the labels influence consumer knowledge and behavior as well as company profits.⁴ An example of increased profits from nutrition marketing is Egglund's Best nutritionally enhanced egg product. Egglund's Best experienced record sales growth after introduction of their nutritionally marketed product.⁵ Increased consumer use of labeling information is related to having a higher quality of diet.⁶ Most consumers use food labels; although, consumers with higher levels of healthy eating behaviors, self-efficacy, beliefs in diet-disease linkage and weight loss goals are more likely to use labels.⁷ However, the majority of consumers cannot correctly interpret the labeling information.⁸⁻¹² Labeling on packages may include nutrition facts, health claims or nutrient content claims. The Food and Drug Administration (FDA) regulates the labeling of packaged processed foods. Only 1.7% of packaged processed foods are exempt from labeling requirements. The FDA allows health claims for foods that have sufficient scientific agreement linking the food to disease prevention.¹³ They also allow "nutrient content" claims such as "100% Vitamin C" or "good source of protein".

Nutrient Content claims are allowed without evidenced based research supporting a link of the nutrient to disease prevention.¹⁴ In 1997, only 4% of packages contained health claims and 39% of packages containing "nutrient content" claims.¹⁵ In 2000-2001, 4.4% of food packages contained health claims and 49.7% of product labels had "nutrient content" claims.¹⁶ Although research has not been conducted to determine how consumers differentiate between health claims and "nutrient content" claims and how these claims impact food purchasing behaviors, research in the tobacco industry has shown that consumers interpret allowed labeling claims of "No Additives" to imply that the cigarettes are healthier, less likely to harm and to be less addictive.¹⁷ Consumers may make similar extrapolations on products that contain "nutrient content" claims.

Price is a tool in the marketing mix that may also be related to nutrition marketing practices (in addition to product, promotion and place).¹⁸ Price reductions in nutrient dense choices (low fat milk) in vending machines and cafeterias (fruit and vegetables) in the school environment positively influence sales.^{19, 20} Price may also be a barrier to healthy eating. Nutrient dense foods are more expensive and non-nutrient dense foods are less expensive.²¹⁻²³ Foods, such as

margarine, with nutrition marketing (and less saturated and trans fats) have been found to be more expensive. 24

Environmental changes in the marketing of food products can positively influence nutrient dense food purchasing behaviors. 25 Having more nutrient dense foods available in a grocery store environment has been related to a higher diet quality of shoppers. 26 However, increased nutrient dense food options in a restaurant environment does not necessarily equate increased sales; 46% of research and development directors of restaurant companies reported that nutritious meal options represented 0-10% of sales. 27 Additionally, taste, quality, and appearance are more influential in meal selection than the marketing of health attributes of an entrée. 28

One difference between foods in grocery store and in restaurant environments is point-of-purchase nutrition labeling. Most restaurants do not have point-of-purchase nutrition labeling or if information is available, it has to be requested. 29 Most consumers surveyed supported laws that would require restaurants to include nutrition information on the menus. 29 The potential impact of menu nutrition information on consumer decision making is unknown. 29

CONCLUSIONS

With the escalating obesity crisis, marketing (primarily on television) has increasingly been recognized as a potential factor in obesity prevention. 30 There have been discussions regarding the role of the U.S. government in regulating the food industry (advertising bans, taxation, and purchase limitations) much in the same way as was done with tobacco. 31-33 Proponents of regulation have illustrated the U.S. government's history of regulating personal behaviors with tobacco, illegal drugs, alcohol and sexuality. 34

The U.S. government currently regulates marketing and the food industry. It has established criteria for nutrition labeling, use of health claims, and the use of "nutrient content" claims. 14 However, health claims and "nutrient content" claims are allowed without considering the overall nutrient composition of the food product. Some food products may utilize health claims, "nutrient claims" and/or other nutrition marketing despite the product's unfavorable overall nutrient density composition. Whether nutrition marketing should be used on products with excessive amounts of saturated fat, sodium and added sugars, which the Dietary Guidelines for Americans recommends limiting, is a question. The practice of focusing on one nutrient component in marketing, possibly misleading the consumer into buying a product for health benefits, when the product contains high levels of saturated fat, sodium and/or added sugar may also be of concern.

The food industry will be a critical factor in any long-term, wide-scale successful obesity prevention effort. 35 Many large food companies are already making significant efforts to improve the health of individuals and communities. 36 Food and beverage companies, schools, restaurant chains, the media and entertainment industry, and the U.S. government need to work together to promote the marketing of nutrient dense foods and reduce the marketing of non-nutrient dense foods to help prevent childhood obesity.

REFERENCES

1. McGinnis JM, Gootman, J.A., Kraak, V.I., ed. Food Marketing to Children and Youth Threat or Opportunity? National Academy of Sciences; 2006. Institute of Medicine (U.S.). Committee on Food Marketing and the Diets of Children and Youth.
2. Gilbert LC. The functional food trend: what's next and what Americans think about eggs. *J Am Coll Nutr.* Oct 2000;19(5 Suppl):507S-512S.
3. Bech-Larsen T, Grunert KG. The perceived healthiness of functional foods. A conjoint study of Danish, Finnish and American consumers' perception of functional foods. *Appetite.* Feb 2003;40(1):9-14.
4. Freimuth VS, Hammond SL, Stein JA. Health advertising: prevention for profit. *Am J Public Health.* May 1988;78(5):557-561.
5. Michella SM, Slauch BT. Producing and marketing a specialty egg. *Poult Sci.* Jul 2000;79(7):975-976.
6. Kreuter MW, Brennan LK, Scharff DP, Lukwago SN. Do nutrition label readers eat healthier diets? Behavioral correlates of adults' use of food labels. *Am J Prev Med.* Jul-Aug 1997;13(4):277-283.
7. Satia JA, Galanko JA, Neuhouser ML. Food nutrition label use is associated with demographic, behavioral, and psychosocial factors and dietary intake among African Americans in North Carolina. *J Am Diet Assoc.* Mar 2005;105(3):392-402; discussion 402-393.
8. Cowburn G, Stockley L. Consumer understanding and use of nutrition labelling: a systematic review. *Public Health Nutr.* Feb 2005;8(1):21-28.
9. Levy L, Patterson RE, Kristal AR, Li SS. How well do consumers understand percentage daily value on food labels? *Am J Health Promot.* Jan-Feb 2000;14(3):157-160, ii.
10. Reid DJ, Hendricks SM. Consumer understanding and use of fat and cholesterol information on food labels. *Can J Public Health.* Sep-Oct 1994;85(5):334-337.
11. Fullmer S, Geiger CJ, Parent CR. Consumers' knowledge, understanding, and attitudes toward health claims on food labels. *J Am Diet Assoc.* Feb 1991;91(2):166-171.
12. Pelletier AL, Chang WW, Delzell JE, Jr., McCall JW. Patients' understanding and use of snack food package nutrition labels. *J Am Board Fam Pract.* Sep-Oct 2004;17(5):319-323.
13. Rowlands JC, Hoadley JE. FDA perspectives on health claims for food labels. *Toxicology.* Apr 3 2006;221(1):35-43.
14. Katan MB, de Roos NM. Public health. Toward evidence-based health claims for foods. *Science.* Jan 10 2003;299(5604):206-207.
15. Brecher SJ, Bender MM, Wilkening VL, McCabe NM, Anderson EM. Status of nutrition labeling, health claims, and nutrient content claims for processed foods: 1997 Food Label and Package Survey. *J Am Diet Assoc.* Sep 2000;100(9):1057-1062.
16. Legault L, Brandt MB, McCabe N, Adler C, Brown AM, Brecher S. 2000-2001 food label and package survey: an update on prevalence of nutrition labeling and claims on processed, packaged foods. *J Am Diet Assoc.* Jun 2004;104(6):952-958.
17. Arnett JJ. Winston's "No Additives" campaign: "straight up"? "no bull"? *Public Health Rep.* Nov-Dec 1999;114(6):522-527.

18. Kotler P. *Marketing Management: Analysis, Planning, Implementation and Control*. 9th ed. Upper Saddle River, New Jersey: Simon & Schuster; 1997.
19. French SA, Jeffery RW, Story M, et al. Pricing and promotion effects on low-fat vending snack purchases: the CHIPS Study. *Am J Public Health*. Jan 2001;91(1):112-117.
20. French SA. Pricing effects on food choices. *J Nutr*. Mar 2003;133(3):841S-843S.
21. Andrieu E, Darmon N, Drewnowski A. Low-cost diets: more energy, fewer nutrients. *Eur J Clin Nutr*. Mar 2006;60(3):434-436.
22. Drewnowski A, Darmon N, Briend A. Replacing fats and sweets with vegetables and fruits--a question of cost. *Am J Public Health*. Sep 2004;94(9):1555-1559.
23. Drewnowski A, Darmon N. The economics of obesity: dietary energy density and energy cost. *Am J Clin Nutr*. Jul 2005;82(1 Suppl):265S-273S.
24. Ricciuto L, Ip H, Tarasuk V. The relationship between price, amounts of saturated and trans fats, and nutrient content claims on margarines and oils. *Can J Diet Pract Res*. Winter 2005;66(4):252-255.
25. Fiske A, Cullen KW. Effects of promotional materials on vending sales of low-fat items in teachers' lounges. *J Am Diet Assoc*. Jan 2004;104(1):90-93.
26. Cheadle A, Psaty BM, Curry S, et al. Can measures of the grocery store environment be used to track community-level dietary changes? *Prev Med*. May 1993;22(3):361-372.
27. Sneed J, Burkhalter JP. Marketing nutrition in restaurants: a survey of current practices and attitudes. *J Am Diet Assoc*. Apr 1991;91(4):459-462.
28. Sproul AD, Canter DD, Schmidt JB. Does point-of-purchase nutrition labeling influence meal selections? A test in an Army cafeteria. *Mil Med*. Jul 2003;168(7):556-560.
29. O'Dougherty M, Harnack LJ, French SA, Story M, Oakes JM, Jeffery RW. Nutrition labeling and value size pricing at fast-food restaurants: a consumer perspective. *Am J Health Promot*. Mar-Apr 2006;20(4):247-250.
30. Morrill AC, Chinn CD. The obesity epidemic in the United States. *J Public Health Policy*. 2004;25(3-4):353-366.
31. Davey RC. The obesity epidemic: too much food for thought? *Br J Sports Med*. Jun 2004;38(3):360-363; discussion 363.
32. Hayne CL, Moran PA, Ford MM. Regulating environments to reduce obesity. *J Public Health Policy*. 2004;25(3-4):391-407.
33. Kelley B. To quell obesity, who should regulate food marketing to children? *Global Health*. Jul 14 2005;1(1):9.
34. Kersh R, Morone J. The politics of obesity: seven steps to government action. *Health Aff (Millwood)*. Nov-Dec 2002;21(6):142-153.
35. Seidell JC. Prevention of obesity: the role of the food industry. *Nutr Metab Cardiovasc Dis*. Feb 1999;9(1):45-50.
36. Short D. When science met the consumer: the role of industry. *Am J Clin Nutr*. Jul 2005;82(1 Suppl):256S-258S.

CRITIQUING A STUDY OF THE MARKET EFFECTIVENESS OF INTERNET MEDIA AMONG U.K. NON-PROFIT ORGANIZATIONS

D. Adrian Doss, Belhaven College

adrian_doss@msubulldogs.org

Lacey D. Holland, Mississippi University for Women

ldh@muw.edu

I Chun Lisa Chen, Yuanpei University

iclchen@mail.ypu.edu.tw

ABSTRACT

This paper evaluates the research design and methodology implemented within The Marketing Effectiveness of UK Environmental Charity Websites Compared to Best Practice, authored by Wenham, Stephens, and Hardy (2003). Shortcomings are identified, and suggestions for improving the research design and methodology are discussed. Areas of evaluation are suggested concerning web-site cost and control. Recommendations for quantitative studies are suggested, and a recommendation for the practical use of the model among nonprofits with respect to marketing strategy activities is suggested.

INTRODUCTION

Berger, Cunningham, and Drumwright (2004) examine alliances between nonprofits and for-profit entities. Arnett, German, and Hunt (2003) emphasize the importance of nonprofit relationship marketing. Clarke and Mount (2001) emphasize the increase of nonprofit marketing activities concerning marketing exchange theory. Webb and Mohr (1998) examine cause-related marketing, and present a consumer typology. Gourville and Rangan (2004) investigate cause-related marketing, and propose a value-based relationship framework between non-profits and for-profits. Rose (2003) presents a historical synopsis of governmental advertising within the nonprofit perspective. Anderson and Taylor (1995) emphasize the non-profit importance of traditional product, price, place, and promotion. Fillis (2005) discusses the non-profit importance of marketing creativity. West and Sargeant (2004) examine advertising risks among nonprofits. Sargeant and Woodliffe (2005) stress the importance of donor commitment within the context of marketing. Sargeant, West, and Ford (2005) examine the reasons benefactors provide funding, and advocate "recruitment and donor campaigns" among nonprofits. Ford and Mottner (2003) examine retailing and strategic marketing efforts among nonprofit religious environments. Griffiths (2005) examines the non-profit branding. Diamond and Gooding-Williams (2002), and Arnold and Tapp (2001) examine the use of non-profit direct marketing.

According to Wenham, Stephens, and Hardy (2003), their research design involved a quantitative examination of the nonprofit marketing strategy best practices of capture promotion, contact details, community, commerce, customer orientation, credibility, and content ease. These categories were derived from the Internet marketing best practices of Chaffey, Mayer, Johnston, and Ellis-Chadwick (2000). The research design examined these practices among 32 nonprofit web-sites to evaluate their commonalities, weaknesses, and strengths within marketing strategies. The capture category considered meaningful titles, inbound capacity, and search engine testing. The contact category considered contact details, email capacity, news, links, interactivity, volunteer and job applications, and multimedia. The community category considered virtual discussion groups. The commerce category considered online donation capacity, online purchases, online membership potential, and campaign information. The customer orientation category considered market segmentation, questionnaires, member-only areas, and the ability to personalize the session. The credibility category considered names and logos within the Internet site. The content ease category considered the ease of interface use, browser compatibility, search capabilities, and download times.

The methodology evaluated the mean averages of the best practices, investigating potential strengths of relationships among best practices via correlation coefficients, and involved a logarithmic analysis of the best practices implemented among the web-sites. The methodology calculated the mean quantities of each of the categories within the sample of web-sites as a method of determining their non-profit frequency of use. The methodology also implemented correlation coefficients to investigate the potential strengths of relationships between site "annual income" and "number of features" (Wenham, Stephens, and Hardy, 2003). The strengths of potential correlations were also investigated between "charities with global reach and broad appeal" and the quantity of "marketing features than local, more specialized charities (Wenham, Stephens, and Hardy, 2003)." A logarithmic investigation considered "annual income" and the "number of features (Wenham, Stephens, and Hardy, 2003)."

The findings suggested that sites which presented "basic information" and ease of use manifested "a low level of customer orientation and community building (Wenham, Stephens, and Hardy, 2003)." The findings also suggested that "no significant correlation" existed between "annual income and number of features (Wenham, Stephens, and Hardy, 2003)." Further, the findings also suggested the existence of a "tendency for the charities with global reach and topics of broad appeal to have more marketing features than local, more specialized charities (Wenham, Stephens, and Hardy, 2003)." Given the findings of the study, viable marketing strategy best practices were suggested among nonprofit organizations.

CRITIQUE COMMENTARY

Although the study posed a perspective of non-profit marketing strategy, it manifested shortcomings regarding potential bias factors that were not considered within the research design. The study did not include sections concerning the bias, research scope, or limitations that affected the study. There were no discussions regarding the potential of sampling bias with respect to the randomness of the sample nor were there discussions of the method used to generate the sample. There were no discussions concerning the sample or the population with respect to their shared characteristics, and no indications were present regarding whether the sample of evaluated entities

was truly representative of an overall population. A description of benefactors or clients was not provided. Based on the small sample size (n=32), no indications were present regarding whether the study was a pilot study or whether it was intended to have greater potency and scope. Although the initial findings suggest potentially beneficial best practices that may be implemented as tools within strategic marketing initiatives of nonprofits, the potential of bias must not be dismissed.

The methodology implemented within the study considered potential strengths of relationships between incomes and the quantity of web-site features. The strengths of potential correlations were also investigated between "charities with global reach and broad appeal" and the quantity of web-site features of "local, more specialized charities (Wenham, Stephens, and Hardy, 2003)." A logarithmic investigation between "annual income" and the "number of features" was also considered (Wenham, Stephens, and Hardy, 2003). However, the study does not consider a quantitative analysis regarding the perspectives of benefactors versus clients; the quantities of best practices implemented versus the quantity of clients; and the quantity of best practices implemented versus the quantity of benefactors. Further, given the lack of definitions regarding the shared characteristics of the sample and population, the methodology does not include any analysis involving stratification among the evaluated sites with respect to their missions, benefactor types, or client types.

CONCLUSIONS AND RECOMMENDATIONS

Some nonprofit firms may have insufficient funding to pursue and maintain a complex Internet presence. The use of correlation-based studies may investigate the potential strengths of relationships between the costs associated with the complexity of strategic marketing Internet sites versus the quantities of the benefactors contributing to the nonprofit organizations. The use of correlation-based studies may also investigate the potential strengths of relationships between the costs associated with the complexity of strategic marketing web-sites versus the quantities of the clients served by the nonprofit organizations.

A recommendation for additional quantitative research includes correlation-based studies to investigate the potential strengths of relationships between the quantities of implemented strategic marketing features within the nonprofit sites versus the sizes of the populations served by the nonprofit organizations. The use of correlation-based studies may also investigate the potential strengths of relationships between the quantities of implemented strategic marketing features within the nonprofit sites versus the quantities of the benefactors contributing to the nonprofit organizations. The use of correlation-based studies may investigate the potential strengths of relationships between each of the implemented strategic best practice features individually within the nonprofit sites versus the sizes of the populations served and the quantities of attracted benefactors.

Another quantitative research recommendation includes the use of stratification among the considered nonprofit sites among their missions, benefactor types, and client types. Potential research endeavors could investigate whether the perceptions or donation sizes of benefactors associated with the nonprofit organizations are influenced by the various best practices that are implemented strategically within the web-sites. Data processing could use an ANOVA analysis across groups of benefactors versus strategic marketing best practices. Similarly, additional

ANOVA research endeavors could investigate whether the perceptions or quantities of clients associated with the nonprofit organizations are influenced by the various best practices that are implemented strategically within the web-sites.

The best practices model considered by Wenham, Stephens, and Hardy (2003) considers the strategic marketing categories of capture promotion, contact details, community, commerce, customer orientation, credibility, and content ease. However, the basic framework may be improved through additional cost and control categories. These additional areas may investigate the financial costs and psychological (cognitive) aspects of nonprofit Internet marketing strategies. As a result, an extended model may be proposed.

The recommended control category would consider the cognitive ability of viewers to comprehend and manipulate web-site contents. Slone (2002) presents discussions of the various characteristics of mental models with respect to users that are generated from interactions with the Internet. Stephanidis and Savidis (2001) discuss the potential of universal access design within the perspectives of human-computer interaction and end users. Their concepts may be adapted with respect to the quality of viewer interactions among nonprofit web-sites within the context of marketing strategy. Therefore, associated studies may consider quantitative investigations of viewer types (e.g., novice through expert) versus various facets of the strategic marketing best practices implemented within the nonprofit sites. The extended model may also benefit nonprofits from a practical perspective. It is recommended that the extended model be applied within the evaluation activities of nonprofit strategies. Through evaluation, firms gain a stronger perspective of their strengths, weaknesses, opportunities, and threats. From the perspective of marketing strategy, the recommended statistical analysis associated with the extended model may provide research findings that may embellish their marketing strategies and improve their organizational competitiveness and efficiency.

Cumulatively, this study considers best practices that may influence nonprofit marketing strategies to embellish competitiveness, strengthen the servicing of their clients and customers, and attract the support of benefactors. However, the research study demonstrates potential bias, and its proposed model does not consider the aspects of nonprofit financial costs and viewer cognitive control. Therefore, it is recommended that biases be considered, and that the sample and population relationships be defined. Additional studies should investigate potential strengths of relationships among variables associated with benefactors, clients, and the implementation of the suggested strategic marketing best practices. It is also recommended that both financial cost and viewer cognitive control be considered as additional components of the suggested best practices model in conjunction with quantitative studies to investigate their potentials within the context of nonprofit strategic marketing. Finally, through the application of an extended model that incorporates these additional categories, nonprofits may gain a strategic tool through which the evaluation activities of their marketing strategies may be embellished.

REFERENCES

Anderson, L., and Taylor, R. (1995). McCarthy's 4Ps: Timeworn or time-tested? *Journal of Marketing Theory and Practice*, 3(3), 1-9.

- Arnett, D., German, S., and Hunt, S. (2003). The identity salience model of relationship marketing success: The case of nonprofit marketing. *Journal of Marketing*, 67(2), 89-105.
- Arnold, M. and Tapp, S. (2001). The effects of direct marketing techniques on performance: An application to arts organizations. *Journal of Interactive Marketing*, 15(3), 41-52.
- Berger, I., Cunningham, P., and Drumwright, M. (2004). Social alliances: Company/nonprofit collaboration. *California Management Review*, 47(1), 58-90.
- Chaffey, Mayer, Johnston, and Ellis-Chadwick (2000). *Internet Marketing: Strategy, Implementation, and Practice*. Pearson Education: Harlow, United Kingdom.
- Clarke, P., and Mount, P. (2001). Nonprofit marketing: The key to marketing's 'mid-life crisis'? *International Journal of Nonprofit & Voluntary Sector Marketing*, 6(1), 78.
- Diamond, W., and Gooding-Williams, S. (2002). Using advertising constructs and methods to understand direct mail fundraising appeals. *Nonprofit Management & Leadership*, 12(3), 225-243.
- Fillis, I. (2005). Creativity and the nonprofit marketing organization. *International Journal of Nonprofit & Voluntary Sector Marketing*, 10(4), 199-201.
- Ford, J., and Mottner, S. (2003). Retailing in the nonprofit sector: An exploratory analysis of church-connected retailing ventures. *International Journal of Nonprofit & Voluntary Sector Marketing*, 8(4), 337-348.
- Gourville, J. and Rangan, V. (2004). Valuing the cause marketing relationship. *California Management Review*, 47(1), 38-57.
- Griffiths, M. (2005). Building and rebuilding charity brands: the role of creative agencies. *International Journal of Nonprofit & Voluntary Sector Marketing*, 10(2), 121-132.
- Rose, J. (2003). Government advertising and the creation of national myths: The Canadian case. *International Journal of Nonprofit & Voluntary Sector Marketing*, 8(2), 153-166.
- Sargeant, A., West, D., and Ford, J. (2004). Does perception matter? An empirical analysis of donor behaviour. *Service Industries Journal*, 24(6), 19-36.
- Sargeant, A., and Woodliffe, L. (2005). The antecedents of donor commitment to voluntary organizations. *Nonprofit Management and Leadership*, 16(1), 61-78.

- Slone, D. (2002). The influence of mental models and goals on search patterns during web interaction. *Journal of the American Society for Information Science and Technology*, 53(13), 1152-1169.
- Stephanidis, C. and Savidis, A. (2001). Universal access in the information society: Methods, tools, and interaction technologies. Retrieved from <http://proquest.umi.com/pqdweb?index=6&did=719710641&SrchMode=1&sid=4&Fmt=6&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1165598501&clientId=2606> on December 8, 2006.
- Webb, D., and Mohr, L. (1998). A typology of consumer responses to cause-related marketing: From skeptics to socially concerned. *Journal of Public Policy & Marketing*, 17(2), 226-238.
- West, and Sargeant, A. (2004). Taking risks with advertising: The case of the not-for-profit sector. *Journal of Marketing Management*, 20(9/10), 1027-1045.
- Wenham, K., Stephens, D., and Hardy, R. (2003). The marketing effectiveness of UK environmental charity websites compared to best practice. *International Journal of Nonprofit and Voluntary Sector Marketing*, 8(3), 213-223.

THE CHANGING PHARMACEUTICAL SELLING ENVIRONMENT

Christopher S. Foster, Longwood University
John N. Gaskins, Longwood University
gaskinsjn@longwood.edu

ABSTRACT

The role of the salesperson in promoting ethical drugs is shifting, partly due to companies' perception of the cost-effectiveness of personal selling and partly due to environmental trends that include direct-to-consumer (DTC) promotions, new legal restrictions on promotional practices, the use of technology and industry consolidation. This paper presents an empirical examination of the impact of some of these changes at the level of the individual salesperson. Based on a series of in-depth interviews with active salespersons in each of four specialty areas, the authors examine the impact of DTC promotions, technology and new legal restrictions on how these salespeople operate and their promotional practices.

DTC promotions, mainly mass media advertisements, are views by salespeople as a mixed blessing. Mass advertising raises public awareness of the drug and leads to enquiries to doctors. On the other hand, the legal requirement that side effects must be revealed in any ad that discuss that drug's benefits means that the message gets badly watered down. It is difficult to keep benefits and risks in realistic proportion in ads, and ads that fail to provide factual information leave consumers wondering what the drug is for, and may lead them to waste their, and their doctor's, time asking about drugs that are completely irrelevant to them.

Legal restrictions on promotional practices like sampling, entertaining doctors or pharmacists and the like, have made it more difficult for pharmacy representatives to get "face time" with health professionals. Health professionals are busier than ever before, but practices that in the past were viewed as a means of compensating them for their time and attention are generally discouraged or even forbidden. As a result, it is more difficult for salespeople to get the time to do their job, which generally has more to do with keeping doctors, who prescribe medications, and pharmacists informed about their company's products than directly selling them. Attempts to provide this information through information technology have met limited success so far, partly due to time constraints and partly due to lack of familiarity with the technology itself.

These trends, coupled with the consolidation of the pharmaceutical industry, have put more stress on salespeople. While this has in some cases led to ethical challenges, it has also tended to reward knowledgeable and ethical salespeople. Those who prove themselves to be valuable and reliable resources gain both influence and more access to health professionals.

WHEN THE GOAL IS CREATING A BRAND PERSONALITY, FOCUS ON USER IMAGERY

J. Bryan Hayes, Mississippi College

jhayes@mc.edu

Bruce L. Alford, Louisiana Tech University

Louis M. Capella, Mississippi State University

ABSTRACT

This research examines whether it is possible, through a firm's marketing efforts, to imbue a brand with meanings and give it a "personality." A model is presented and tested which includes associations representing three categories of brand associations: product attributes, corporate associations, and user imagery. It is shown that manipulating these associations in print advertisements results in different perceived brand personality traits being associated with the test brand. Among the three types of brand associations tested, user imagery is found to be the most powerful influencer of brand personality perceptions. The results also indicate that different types of brand associations may be combined to produce a desired brand personality profile.

CONCEPTUALIZING RETAIL ATMOSPHERICS IN THE ONLINE SHOPPING CONTEXT

Stuart Heyworth, University of Canterbury, Christchurch, New Zealand

Jai Lyons, University of Canterbury, Christchurch, New Zealand

Jamye Foster, University of Canterbury, Christchurch, New Zealand

ABSTRACT

Since atmospherics was first described by Kotler (1973) and Mehrabian & Russell (1974) discussed the impact of physical surroundings on approach/avoidance behaviour, many retail marketing researchers and managers have found the study of atmospherics to be of interest. Considering the prevalence of online shopping and purchasing today, expanding the concept of retail atmospherics into the area of online shopping is especially valuable. The aim of this paper is to review relevant literature on the effects of atmospherics on online shopping and build a conceptual framework that can be tested. More specifically, this research will examine the effects of online atmospheric cues (complexity and content), arousal, pleasantness, flow, and motivational orientation on patronage intentions. These concepts will be examined within the context of the stimulus-organism-response model (Mehrabian and Russell, 1974), which identifies three dimensions of affective response—with two being stressed in the literature: pleasantness and arousal. Recently retail marketing researchers have looked at how other constructs relate to this model. Kalcheva and Weitz (2006) considered motivational orientation, while Wang, Baker, Wagner and Wakefield (2007) also considered the concept of flow. Therefore, this study will attempt to assimilate these concepts and empirically test their relationships in an online shopping context.

Results are expected to contribute greatly to the current retailing literature, where the investigation of online issues has been emphasized. Findings would be helpful for marketing managers by enabling them to better understand how consumers behave in the current online marketplace. By understanding the effects of specific atmospheric cues, online retailers could better (and more accurately) cater to their market and gain a competitive advantage through adapting their servicescape to match expectations of the consumer market. This will lead to marketing managers making more informed decisions pertaining to web site resource allocation and managing relationships with online customers (Wang et al., 2007).

MULTICHANNEL SHOPPING AND SATISFACTION: THE ROLE OF SHOPPING EXPERIENCE AND CUSTOMER-FIRM RELATIONSHIP CHARACTERISTICS

Young-Hyuck Joo, Hansung University, Korea
mrjoo@hansung.ac.kr

ABSTRACT

In recent year, multichannel management increasingly has been considered a key element of successful CRM. Although customer's multichannel usage is believed to be potential cause of customer loyalty, the theoretical explanation about this causal relationship remains unexamined and unanswered. In this context, the authors present a systematic framework to test the postulated "multichannel usage-customer experience-customer satisfaction" chain. To this end, we examine that the two core components of customer experience (convenience and enjoyment) is a mediator of the direct causality of two types of multichannel usage (information search and product purchase multichannel usage) on customer satisfaction. Moreover, the authors examine that two core components of customer-firm relationship characteristics (relationship age and relational orientation) is a moderator of the multichannel usage-customer experience relationship. Using integrating data with survey and customer database of multichannel retail company, the authors empirically test and substantiate customer experience's mediating role in the multichannel usage-customer satisfaction relationship and customer-firm relationship characteristics' moderating role in the multichannel usage-customer experience relationship. These results suggest that multichannel strategy for retailer should deliver a favorable customer experience for building customer satisfaction and customer loyalty and a differentiate customer experience according to customer-firm relationship characteristics.

THE IMPORTANCE OF PRODUCE IN GROCERY SHOPPING FOR UNIVERSITY STUDENTS IN THE MIDWEST

Martin Meyers, University of Wisconsin at Stevens Point

ABSTRACT

This paper discusses the importance of different variables that are considered when university students in the Midwest purchase groceries. The variables considered include location, parking, prices, in store promotion, quality of the produce, quality of the meat, quality of the fish, friendly employees, knowledgeable employees, and acceptance of credit cards.

INTRODUCTION

Research has verified that university students contribute to the local economy. One study conducted for the University of Wisconsin – Stevens Point found that the approximately 8500 university students spend almost \$78 million annually in the region in addition to what they spend on tuition and cost for staying in a dormitory. The student spending led to the creation of 2600 additional regional jobs, which generated an additional \$7.1 million in state income and sales tax (Winters, 2006).

This particular paper discusses only the spending by university students at grocery stores. A study on student purchasing of groceries at Sam Houston University revealed that they on average visit a grocery store 0.9 times a week and spend \$27.43 per visit (Sears, 2005).

A survey was administered to students at a university in the Midwest. The most important question on the questionnaire asked the students to rate a number of criteria in selecting a grocery store. A rating of 1 to 5 was used for each criterion, with a rating of 1 signifying very unimportant and a 5 indicating that it is very important.

SURVEY RESULTS

The most important factor for the university students when selecting a grocery store is the quality of the produce with a rating score of 4.43. Prices came in second place with a score of 4.07. The acceptance of credit cards came in third place with a score of 3.39. The two least important variables were the quality of the fish and parking. It is not surprising that parking came in last place because all of the local grocery stores have large parking lots and parking is not an issue. Appendix 1 lists the scores for each of the variables.

MARKETING IMPLICATIONS

The grocery stores need to concentrate on maintaining high quality produce at reasonable prices because the quality of the produce and prices are the two most important factors in selecting a grocery store. One of the local stores has been losing customers because the quality of the produce has deteriorated. Another store has experienced increases in sales because many consider their produce to be of excellent quality and the prices are significantly lower.

All of the local grocery stores accept credit cards and they should continue to do so because it is important. The students could prefer the credit cards because of budget constraints or they desire the incentives they obtain from using them. That could be a topic for a future paper.

Location is another important variable. The store with the perceived better produce and lower prices is conveniently located within a mile of the campus. The owner could consider building another grocery store in the other end of town, where there are three full service grocery stores. One of them is an enormous Wal-Mart Super center.

The fifth most important variable is the quality of the meat. The store could focus on expanding the line of the lesser expensive cuts of meat for the university students.

The quality of the fish was rated as very unimportant. The local grocery store owners appear to have expanded the quality and quantity of their fish counters. Efforts that have been geared to upgrading the fresh fish options could be diverted to improving the quality of the produce.

FUTURE RESEARCH

Future research will consider the role of organic food due to its increased popularity. The annual growth rate for the conventional food industry is less than 3 percent. The organic industry has reported several years of an annual growth rate at between 17 to 20 percent. Kraft is marketing organic products. Coca Cola bought out Odwalla natural beverages and General Mills has Cascadian Farms. Wal-Mart and Cosco are selling organic foods (Hansen, 2004). Paul Newman's lines of organic foods are known as "Newman's Own." His food lines are sold in almost all major grocery stores in the United States. Over \$200 million of the proceeds from his products have been donated to various progressive causes. His daughter has her own line of products, which started as a division of "Newman's Own." It is now a separate company (Wasendorf, 2007).

Another future paper would compare the purchasing of groceries by university students in Australia versus university students in the United States. Australia will be selected because there is not a language barrier for the researcher and Australian grocery store operations are somewhat similar to those in the United States. The paper would also include a comparative analysis of prices in the American grocery stores versus those in Australia.

APPENDIX 1 Importance of Variables in Selecting a Grocery Store	
Quality of produce	4.43
Prices	4.07
Acceptance of credit cards	3.39
Location	3.36
Quality of meat	3.25
Knowledgeable employees	3.14
Employee friendliness	3.04
In-store promotions	2.93
Quality of fish	2.57
Parking	1.73

REFERENCES

Hansen, Nanette, CNBC December 3, 2004

Sears, Green, Greenwade, and Simmons, "Estimating the Impact of Sam Houston State University on the Local Economy, 2005

Wasendorf, Russell, Stocks, Futures, and Options Magazine, February, 2007

Winters, D., University of Wisconsin – Stevens Point Economic Contribution to the Region, November 2006

MACROMARKETING AND MARKET ORIENTATION EFFECTS ON ECONOMIC GROWTH A CONCEPTUALIZATION MODEL

Dr. Rodney Oudan, Worcester State College
roudan@worcester.edu

ABSTRACT

The purpose of this paper is to address the importance of the theory of macromarketing in promoting economic development in developing countries. Macromarketing is often viewed as creating an efficient system for exchange processes from producers to consumers while accomplishing the objectives of society. This paper proposes a theory of macromarketing based on the understanding, explanation and management of the relationship between marketing and society. The marketing literature reviewed shows that insufficient attention to marketing thought and methodology exists when addressing the problems of economic growth that face developing countries. A unified conceptual framework is identified here which integrates the primary variables that can bring about economic growth in these countries.

Macromarketing studies marketing within the context of the entire economic system, with special emphasis on aggregate performance. Bartels and Jenkins (1951) assign the broadest definition to macromarketing, indicating that it refers to marketing in general – the marketing process in its entirety, and the aggregate mechanism of institutions performing it. Hunt (1976) argues that macromarketing suggests a higher level of aggregation, usually marketing systems or groups of consumers, while micromarketing refers to individual units, normally individual organizations (firms) and consumers or households. Macromarketing in this context refers to the study of marketing systems, the impact and consequences of marketing systems on society and the impact and consequences of society on marketing systems. Moyer (1972) argues that the major function of macromarketing is to evaluate, in a normative sense, marketing within our society. Macromarketing studies marketing within the context of the entire economic system, with special emphasis on its aggregate performance. Micromarketing, on the other hand, is firm-oriented. Shawver and Nickels (1979) suggest that "macromarketing is the study of exchange activities and exchange systems from a societal perspective." The study of macromarketing therefore addresses how the effective use of marketing can influence and promote economic development, and in turn, how organizations and government can control marketing systems in a way that enhances the aggregate and societal effects of the marketing effort. As Woodruff wrote in 1958, "production may be the door to economic growth of a developing country, but marketing is the key that turns the lock."

Marketing is defined as the process of planning and executing the conception, pricing promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives. Irrespective of its level of development, every economic system, no

matter how primitive or advanced, is suffused with marketing activities. Private firms, governments and individuals carry out these activities. Marketing is also the design, organization and implementation of economic and social programs to influence public participation in a nation's development. This involves techniques of marketing research, product planning, pricing, communication and distribution (Kaynak, 1986). This builds on Bartels' 1951 classification of marketing as an adaptive function and a consequence of environmental circumstances, and a formative influence in stimulating economic development.

With the increasing economic liberalization and globalization of the world economy, there is a growing interest among academic researchers and business practitioners to study the issue of marketing in developing countries. The study of developing countries is interesting and important for four main reasons. First, most developing countries seek a better standard of living and are experiencing some degree of industrialization and urbanization. Since marketing is concerned with the satisfaction of needs and wants and the optimum allocation of resources, if used effectively can ensure that economic development is promoted. Despite the fact that marketing concepts were more widely practical in the advanced world, marketing functions serve and satisfy human needs and wants regardless of location. Thus, marketing may be considered a strategic element in the structure of any society, since it directly allocates resources and has an important impact on other aspects of economic and social life. Consequently, its relevance to economic development would seem clear (Kinsey, 1988). Second, marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives. These objectives, as illuminated through marketing practices, reveal much about the economies of developing countries. Third, the adoption of new marketing and distribution methods is vital: as productive capacity increases it will not only yield higher standards of living in developing countries but will also help to create an important source of vestable capital to support industrialization (Woodruff, 1958). Finally, since globalization has increased significantly in the past two decades, most developing countries have begun liberalizing their economic policies to establish hospitable environments for foreign investments. Developing countries constitute the major growth opportunity in the evolving world economic order. For academics, there are a host of research implications in this field, including the study of environment, strategy and macro factors.

LITERATURE REVIEW

A review of the important issues and frameworks for marketing's role in economic development in developing countries demonstrates the need for further empirical research before definitive conclusions can be drawn. In 1958, Peter Drucker stressed the development of marketing in economic development from several perspectives, and he noted the absence of marketing in totalitarian forms of planned economic development. In the world of the 1980s, the developing nations aspired, more than ever, for economic growth and better standards of living. Kindra (1984) noted a general dissatisfaction with growth models based on capital formation and productivity improvements. An increasing number of development countries tacitly recognized the link between marketing and economic development.

Marketing clearly occupies a critical role in respect to the development of developing countries in growth areas. Indeed, marketing is the most important multiplier of such development. According to Kotler (1984), most business people and government officials in developing countries know little about marketing. Economic planning decisions are made largely by government economists, who know little about marketing. Kotler stresses that marketing skills have played a major role in helping today's leading economies arrive at current levels of development and stresses that developing countries need to import modern marketing ideas; and marketing, he says, is the match that will ignite the economic takeoff of these countries. The lack of marketing vitality in developing countries has resulted from misconceptions regarding marketing's nature and application. Marketing can play a simulative role in economic and social development by promoting economic growth through activities such as investment. This needs to be communicated to students, managers and bureaucrats of developing countries (Kindra, 1984).

P1 The study of marketing systems can clearly support and promote economic development in developing countries.

Kinsey (1988) makes the point that marketing, used effectively, can lead and speed economic development through both its functions and philosophy. Through the use of marketing research, information is generated, allowing better utilization of resources. Efficient physical distribution enhances the productivity of the total economic system. Better storage and transport usually results in economies of distribution, expanded markets and increased production. Better standards of living can be diffused throughout the whole country just by establishing the strategic location of wholesale and retail establishments. Marketing stimulates wants, as people are exposed to more goods. A high level of production and a wider range of available goods follow (Kinsey, 1988).

P2 Marketing, used effectively, can have a positive impact on economic development in developing countries.

Marketing concepts, practices and institutions have been predominantly Western phenomena, and for the most part American phenomena, that the discussion of marketing in developing countries is at best a peripheral concern in mainstream marketing. If we are concerned, however, about the future of the world system, such a peripheral view is disastrous, according to Dholakia (1984), because less developed countries of the third world represent the "underdeveloped frontier" in terms of consumption patterns, natural resources, human resources, industrialization, technology and the environment.

Trends in Globalization

According to the International Monetary Fund (IMF), globalization through foreign direct investment has grown at a phenomenal rate since the early 1980s, and the world market for it has become more competitive. Developing countries are becoming increasingly attractive investment destinations in part because they offer investors a range of "created assets." Foreign direct investment into developing countries rose from 26% in 1980 to 37% in 1997, when developing Asia

received 22%, Latin America and the Caribbean 14%, and Africa 1% (Mallampally and Sauvant, 1999). It has now become a means of transferring production, marketing, technology, innovative capacity and organizational and managerial practices to these countries. Marketing is usually the first management function to internationalize and therefore has a significant influence in the management process. Given this major growth opportunity, the potential has already affected a shift in multinational corporations as well as the commercial sector.

P3 The impact of globalization has contributed to the development and need for a better marketing system.

Government

The government's role is crucial when it comes to developing countries. According to Kotler (1984), the government must play four major roles – planner, facilitator, regulator and entrepreneur – in a way that demonstrates market-based thinking and action. As a planner, the government must define where the developing economy should move in the world trade picture. The government must search for value-adding opportunities so that the economy is less dependent on world commodities prices. This requires careful marketing research and data analysis. As a facilitator, the government needs to create and kindle entrepreneurial energy in society. As a regulator, the government must establish rules and regulations to encourage trade. As an entrepreneur, the government should determine which business industries it will own and operate (Kotler, 1984). According to the IMF, governments in developing countries have, during the past decade, begun liberalizing their national policies to establish a hospitable regulatory framework by relaxing rules regarding market entry and foreign ownership and are moving away from being centrally planned towards being market-driven.

P4 Government plays an important role in the development of a better marketing system.

Multinational Level

The multinational variable is an active force for introducing marketing principles and methods and applying them to developing countries (Kinsey, 1988). According to the IMF and 1988 World Bank statistics, global marketing has shown a consistently increasing trend, from 3% of the world GDP in 1970 to nearly 20% in 1995. This accounts for 54,000 multinational corporations doing business globally (Mallampally and Sauvant, 1999).

P5 Multinational firms tend to be more marketing-oriented. Their presence contributes positively to economic development in developing countries.

Commercial Sector Level

In developing countries, the commercial sector is highly underdeveloped. Kinsey (1988) makes the point that "there are very few indigenous marketers in developing countries, if the

marketer is defined as someone who understands and applies marketing in order to create, build and maintain beneficial relationships with target markets. Most of the commercial sector in developing countries are production oriented, neglecting market research and a marketing planning." In order to move away from this situation, the indigenous marketer must adapt to a marketing system approach.

P6 The commercial sector needs to be more marketing-oriented for successful economic development to take place.

Environment in Developing Countries

It could be argued that findings from marketing studies in advanced countries could be extended to marketing in developing countries. However, there are important differences between advanced countries and developing countries. The key difference lies in the business environment of developing countries. The essential variables in the environment of developing countries are economic, legal and financial, political, social and cultural.

Schneider (2005) argues that trade stimulates economic growth and development is difficult to understate. Imports bring additional competition and variety to domestic markets, benefiting consumers, and exports enlarge markets for domestic production, benefiting businesses. Trade exposes domestic firms to the best practices of foreign firms and to the demands of discerning customers, encouraging greater efficiency. Trade gives firms access to improved capital inputs such as machine tools, boosting productivity and providing new opportunities for growth for developing countries.

Marketing clearly plays a critical role in the development of developing countries, particularly in growth areas. Indeed, marketing is the most important multiplier of such development. According to Kotler (1987), most businesspeople and government officials in developing countries know little about marketing. Economic planning decisions are made primarily by government economists, who know little about marketing. Kotler stresses that marketing skills have played a major role in helping today's leading economies arrive at their current levels of development, and he stresses that developing countries need to import modern marketing ideas. Marketing, he argued, is the match that will ignite the economic takeoff of these countries.

The lack of marketing vitality in developing countries has resulted from misconceptions regarding marketing's nature and application. Marketing can play a stimulative role in economic and social development by promoting economic growth through activities such as investment. This needs to be communicated to students, managers and bureaucrats of developing countries

(Kindra, 1984). Before more fully exploring various aspects of marketing's role in economic development, it will be useful to review some definitional and conceptual issues regarding the terms "marketing" and "development."

Marketing System

The marketing system may be viewed as a formative influence that stimulates economic development and can effect changes in behavior patterns, attitudes, relationships and values.

Formulation of an appropriate strategy should start with strategic management, including setting goals and objectives, assigning responsibility, identifying targets and product appropriateness. The marketing mix must be adapted with the appropriate product/market technology. The marketing organization structure should be designed to meet government economic and social objectives, as well as the company's objectives. Government policies, attitudes and objectives can also help determine how an effective marketing plan is designed, resourced and implemented. Adaptation and cooperation is thus required at all levels.

Controlling the marketing program should include plan performance measurement and monitoring. A smoothly functioning marketing system conducive to economic growth requires marketing know-how and knowledge of the environment to utilize scarce resources and gain greater economic efficiency. Through careful product research, there can be an increase in utility and efficient use of scarce resources.

Theoretical Conceptual Framework

The opportunity now for additional research in marketing's role in economic development is to develop a conceptual framework for how marketing can stimulate economic development. These findings have important implications for the way marketing can be used effectively in developing countries to realize their public-policy objective of promoting economic development.

The issues of marketing's role in economic development can be studied at three levels: the government level, the multinational level and the commercial sector level.

The conceptual model developed here illustrates a causal study outlining the relationships between variables and the outcome of economic growth and development. Causal relationships indicate how one variable affects, or is "responsible for," changes in another variable (Cooper and Schindler, 2001). This model shows asymmetrical relationships, where changes in one variable, the independent variable, are responsible for changes in another variable, the dependent variable (Cooper and Schindler, 2001). From a research perspective, the study will adapt marketing systems and organizational and macromarketing theories to develop a proposed model that links the key variables, as illustrated in the diagram below.

Contact Author for Diagram

MARKET ORIENTATION

"Market orientation" as a term and as a process has grown from the earlier terms "marketing philosophy" and "marketing concept." It was defined by Kohli and Jaworski in 1990 as the implementation of the marketing concept. Kohli, Jaworski and Kumar (1993) further developed the structure of marketing orientation as an aid to improve the business performance of firms, mostly in the private sector. Their work is essentially based on the developed economies of North America, but it has extensive applications in economies that are still developing, as well as in large public sector companies all over the world. If its principles and conclusions are modified suitably to suit those environments, market orientation can play an important role in macro-marketing situations, too. Since the present research utilizes market orientation as the main criterion for its study of

business performance of companies in developing countries, a brief look at the theoretical aspects of the concept is in order.

Through an extensive literature review and fieldwork, Kohli and Jaworski (1990) evolved the basic theoretical construct for market orientation. Subsequently, after further study, Kohli, Jaworski and Kumar (1993) developed the MARKOR instrument as "a measure of market orientation" to assess the level and effectiveness of its application on companies of various sizes and types of business (p. 4).

Market orientation is essentially the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of this intelligence across departments and organization-wide responsiveness to it (Kohli & Jaworski, 1990). To emphasize the focus on the entire organization, Kohli and Jaworski are careful to distinguish "market orientation" from "marketing orientation," because according to them, the latter tends to be limited to the marketing department. Some of the important and relevant conclusions arrived at in this study are:

- The greater the market orientation of an organization, the higher its business performance
- The greater the market orientation, the greater the esprit de corps, job satisfaction and organizational commitment of employees
- The greater the market orientation, the greater the customer satisfaction and greater the repeat business from customers

In his 1988 study entitled "The Potential Contributions of Marketing Thinking to Economic Development," Philip Kotler made a strong case for a market orientation for those economists who are responsible for framing five-year plans for the economic development of third-world countries. He noted, "One disturbing finding in examining the five-year plans of various Third World countries is the almost complete absence of any strategic marketing thinking in these plans. The five-year plans are largely developed by economists whose marketing knowledge is, at best, superficial. Economists have many blind spots with respect to how markets really operate" (p. 7). Kotler thus felt that adding professional marketers to the development planning teams in these countries would be a great improvement, particularly in the areas of agriculture, industry, distribution, foreign trade and investment, and social marketing.

DIRECTIONS FOR FUTURE RESEARCH

While this is only a preliminary review of the literature, the findings suggest that an effective and efficient marketing system will promote economic growth and development. This is only the beginning of an organized effort in the systematic study of marketing's role in economic development. Clearly, further research is needed before conclusions can be drawn.

CONCLUSION

This article has argued that macromarketing is important to developing countries. The study considered the applicability of macromarketing concepts to the problem of economic development in developing countries. General theories of macromarketing were discussed and an attempt was

made at identifying a conceptual model. The paper argues that macromarketing has not received the attention it deserves, despite its relevance and importance. Developing countries cannot rely on a production system alone, but that a sophisticated marketing system is necessary to achieve the goal of economic development.

The relationship between marketing and economic development is complex and study Cannot hope to encompass all aspects. Macromarketing researchers must therefore look All forces in the developmental process and utilize the advances made in the developed world to support and provide improvements that will present a macro viewpoint.

REFERENCES

- Arnold, D. J. & Quelch, J. A. (1998). New strategies in emerging markets. *Sloan Management Review* 40(1), 7-20.
- Bartels, R. (1951). Can marketing be a science? *Journal of Marketing* 15, 319-328.
- Cooper, D. R. & Schindler, P. S. (2001). *Business research methods*. New York: McGraw Hill.
- Dholakia, M. (1984). *Marketing in less-developed countries: its nature and prospects*. In G. S. Kindra (Ed.), *Marketing in developing countries*. New York: St. Martin's Press.
- Drucker, P. (1958). Marketing and economic development. *Journal of Marketing* 12(1), 252-259.
- Hunt, S. (1976). The nature and scope of marketing. *Journal of Marketing* 40, 17-28.
- Kaynak, E. (1986). *Marketing and economic development*. New York: Praeger.
- Kindra, G. S. (Ed.). (1984). *Marketing in developing countries*. New York: St. Martin's Press.
- Kinsey, J. (1988). *Marketing in developing countries*. London: Macmillan Education.
- Kohli, A. K., & Jaworski, B. J. (1990). Market orientation: The construct, research propositions, and managerial implications. *Journal of Marketing*, 54(2), 1-18.
- Kohli, A. K., Jaworski, B. J., & Kumar, A. (1993). MARKOR: A measure of market orientation. *Journal of Marketing Research*, 4, 467.
- Kotler, P. & Roberto, E. L. (1989). *Social marketing: strategies for changing public behavior*. New York: Free Press.
- Kotler, P. (1988). *The potential contributions of marketing thinking to economic development. Marketing and development: Towards broader dimensions* (pp. 1-10). Englewood Cliffs, N.J.: Prentice Hall

Kotler, P. & Andreasen, A. R. (1987). *Strategic marketing for nonprofit organizations*. Englewood Cliffs, N.J.: Prentice Hall

Moyer, R. (1972). *Macromarketing: a social perspective*. New York: Wiley.

Shawver, D. L. & Nickels, W. G. (1979). *A rationalization for macromarketing concepts and definitions*. In G. Fisk & R. W. Neeson (Eds.), *Macromarketing: new steps on the learning curve*. Boulder: University of Colorado Press.

Schneider, P. H. (2005). International trade, economic growth and intellectual property rights: A panel data study of developed and developing countries. *Journal of Development Economics*, 78(2), 529-547.

Woodruff, E. (1958). Let's export marketing know-how. *Harvard Business Review* 33(6), 70-76.

A PRELIMINARY STUDY OF THE RELATIONSHIPS AMONG CONSUMER SATISFACTION, LOYALTY, AND MARKET SHARE IN HEALTH CLUB CONSUMERS

Larry P. Pleshko, Kuwait University
Samar M. Baqer, Kuwait University

ABSTRACT

This study investigates the relationships among customer satisfaction, customer loyalty, and market share in a sample of students pertaining to their usage of health clubs. The authors show that the expected positive relationships of satisfaction with market share and of satisfaction with loyalty are not supported in this sample. Specifically, a negative relationship between satisfaction and share is found in health club consumers. However, as expected, customer loyalty is shown to be positively associated with market share.

INTRODUCTION

An accurate description of the basic consumer model, along with the relative influence of that model on firm performance, has interested marketing theorists for decades. The basic premises in marketing are straightforward: (a) better value for the buyer should lead to consumption and satisfaction, (b) a satisfied buyer will eventually and for various reasons become a repeat purchaser and/or loyal buyer, (c) this buyer loyalty and satisfaction should result in improved marketing performance for a variety of reasons, and (d) the improved marketing performance should lead to better overall firm performance (Leverin & Liljander 2006, Story & Hess 2006, Cooil et al 2007). However, these general premises do not hold for every industry or under every condition (Mitchell & Kiral 1998, Reichheld & Sasser 1990, Knox & Denison 2000). Therefore, the specific conditions for which the marketing premises hold are still under investigation. The purpose of this study is to partially investigate the premises mentioned above. In particular, the interrelationships among consumer satisfaction, consumer loyalty, and market share are studied in health club users.

THEORETICAL BACKGROUND

Customer satisfaction and retention are generally considered among the most important long term objectives of firms (Cooil et al 2007). The marketing concept suggests that a satisfied buyer will likely return to purchase again, or at least, consider purchasing again (Keith 1960, Leavitt 1960). According to Reichheld and Sasser (1990) repeat customers cost less to serve than new buyers, benefiting a firm's cost structure. Additionally, maximizing customer retention rates and minimizing customer defections are primary strategic objectives for most firms, as evidenced by the recent emphasis on customer relationship management (Ching et al 2004, Verhoef 2003). Thus,

previously satisfied buyers may help firms both reduce marketing costs and develop more stable levels of sales when a large number of satisfied buyers are retained to purchase again in the future.

The investigation of brand loyalty has had a long and rich tradition in the field of marketing. The modern conceptualization is that from Dick and Basu (1994) who argue that brand loyalty should not be regarded as mere repurchase behavior, but rather as a combination of purchase behavior and attitudes. It is accepted that maintaining and increasing loyalty is a primary responsibility for any marketing manager. Customer retention programs may lead to positive increases in buyer loyalty, but with no guarantees (Story & Hess 2006). Plus, today's loyal buyers might not be so loyal in the future since loyalty is transient (Oliver 1980). Regardless, across the industries, it is a firm's ability to manage both the penetration levels and the repeat purchases of its buying market which dictates the extent of customer base retention now and in the future (McDowell & Dick 2001, Lehmann & Winner 1997).

A good indicator of buyers' commitment towards specific retail brands should be the loyalty of customers (Cooil et al 2007, Tellervision 2006). Since the formalization of the marketing concept, the idea that satisfied buyers will (hopefully) return for future purchases and eventually become loyal buyers has been the basis for marketing thought. Loyalty and satisfaction can make customers more forgiving at some disappointing situations associated with a certain brand name or with a store (Shankar et al 2003). In fact, this relationship between satisfaction and loyalty has been shown to be the case throughout much of the literature. However, despite the expectations of both common sense and research mentioned above, there is a growing school of thought which suggests that satisfaction is not a reliable predictor of buyer loyalty (Story & Hess 2006, Reichheld 2003). In this perspective, it is possible to be a satisfied buyer but not a loyal buyer. Thus, the primary point of emphasis is this: loyal customers are always satisfied but satisfied customers are not always loyal. The current study simply aims to determine if a relationship is evident between loyalty and satisfaction. Hence, the following proposition:

P1: There is a positive relationship between customer satisfaction and buyer loyalty in Health Club consumers..

It should be logical that both satisfaction and loyalty are theoretically related to market share in a positive manner. Increases in satisfaction hopefully lead to repeat purchases and positive word-of-mouth between buyers and, in doing so, to higher shares in the long-run. Increases in loyalty should also lead to positive word-of-mouth and increases in purchase volume, leading to share improvements (Leverin & Liljander 2006, Fader & Schmittlein 1993). But, the advantages garnered from increases in loyalty are especially relevant since, as markets become more mature, increases in share become more expensive and improvements in the loyalty base is one viable means of increasing or simply maintaining share (Ghounaris & Stathakopoulos 2004). Hence, the following propositions:

P2: Customers loyalty is positively related to market share in Health Club consumers.

P3: Customer satisfaction is positively related to market share in Health Club consumers.

DATA COLLECTION

The data for the current study was gathered from a buyer group in a large university town in the southeastern USA. The sampling frame is comprised of undergraduate business students, a group of consumers who are frequent users of health clubs. The data are from self-administered questionnaires. Non-users are excluded from the study. Three classes are randomly selected for inclusion in the study from the offerings in the business school at the university, resulting in seventy-nine usable respondents.

Many health clubs (brands such as Gold's Gym) are present in the market and included in the study. The clubs are identified by speaking with the buyers and looking through the yellow pages to include only those within the city limits. An 'others' category was included to catch those retailers not specifically listed on the questionnaire. Sixteen original health clubs are included on the questionnaire. Eleven of these clubs are eliminated after data collection due to small numbers of users or small market shares, at least within this market group. It seems that the student market is focused on only a few health clubs in the vicinity of the university. This resulted in five health clubs for inclusion in the analyses: club#2, club#9, club#3, club#10, and club#13, all with market shares above five percent.

Measurement

The study includes one indicator of market share, two indicators of buyer loyalty, and one indicator of consumer satisfaction. The measures are identical for each of the retail types and are summated/aggregate percentages for loyalty and market share and sample averages for satisfaction. Details of the indicators are shown in Table 1, for each of the relevant constructs in each retail type. The variables are described below.

	Store #	#2	#3	#9	#10	#13
Health Clubs						
	MSHA%	5.6	11.4	9.4	12.2	48.0
	L%TOT	100	69.5	85.8	74.5	89.1
	L%MST	3.7	7.4	7.4	9.9	40.7
	SATF	24.0	19.1	22.2	22.0	18.7

Market-Share (MSHA) is defined as the visits (uses) to a health club divided by the total visits (uses) for all health clubs. The respondents are asked how many 'times' they visit each club

per month. These 'times' are summed for each club. Thus, $MSHA(A) = (\text{times for health club A}) / (\text{summation of times for clubs A, B, C... N})$.

Loyalty-%-of-total-use (L%TOT) is defined as the percentage of total times (uses) the respondent uses each health club, if they are users of that club. Then an aggregate sample percentage is calculated. Thus, for respondent X who uses clubs A and B: $L\%TOT(X,A) = \text{timesA} / (\text{timesA} + \text{timesB} + \dots + \text{timesN})$ and $L\%TOT(X,B) = \text{timesB} / (\text{timesA} + \text{timesB} + \dots + \text{timesN})$ and $L\%TOT(X,C) = 0$.

Loyalty-Most-used-% (L%MST) is defined as the percentage that each health club is used as primary store in the category. Respondents indicate the number of 'times' they use each club. The club is defined as the most used for a respondent when the largest number of visits is indicated. Thus, for respondent X, if $\text{timesA} > \text{timesB}, \text{timesC}, \dots, \text{timesN}$, then clubA is assigned to respondent X as most used health club. The indicator is a summation for each health club of those respondents most using each store.

The study also includes one indicator of consumer satisfaction (SATF), which is comprised of four measurement items. Each of the four questions is measured using consumer ratings on a scale from very satisfied [7] to very dissatisfied [1]. The four satisfaction items are factor analyzed using principal axis analysis for each type of retailer. The four items exhibited a single dimension. The overall indicator of SATF is constructed by summing the four items into an overall score. Across the sample SATF has a possible range from four to twenty-eight. For health clubs, SATF has a mean of 20.45, a standard deviation of 4.6, and a coefficient alpha of 0.917.

Analysis/Results

The Spearman (1904) rank correlation coefficient is used to analyze the association between the variables in the model. The test statistic, rho, is calculated using the following equation derived by Spearman (1904): $r = 1 - 6[\text{Sum}(d^2) / n(n^2 - 1)]$, where 'n' is five and 'd' is the absolute difference between the rankings. The test statistic (rho) ranges between +1 (perfect positive association) and -1 (perfect negative association). Two-tailed tests are performed, giving the general hypotheses for the paired variables - H_0 : independently ranked pairs or H_a : related ranked pairs. Due to the limited power of the test statistic, the following cut-off points are established for the 'p'-values: (i) strong relationship - $p' \leq .05$, moderate relationship - $.10 > p' > .05$, and no relationship - $p' > .10$. The test statistics, and 'p'-values are shown in Table 2.

		MSHA	L%TOT	L%MST
MSHA	rho=	n/a		
	p=			
L%TOT	rho=	-0.3	n/a	
	p=	n.s.		

		MSHA	L%TOT	L%MST
L%MST	rho=	.975 *	-0.25	n/a
	p=	<.10	n.s.	
SATF	rho=	-.900 *	0.4	-0.775
	p=	<.10	n.s.	n.s.

First to test P1, that consumer satisfaction is related to buyer loyalty, we must look to Tables 2 for the relevant statistics. As shown in the tables, none of the two satisfaction-loyalty test statistics are significant ($r'=.400$, $p'=n.s.$; $r'=-.775$, $p'=n.s.$). Thus, support is not provided for P1: satisfaction does not have an impact on loyalty in this sample.

Next we move to test P2, that buyer loyalty is related to market share. As shown in the table, the lone test statistics is significant and positive in direction ($r'=.975$, $p'<.10$). Thus, support is provided for P2: loyalty does have a positive relationship to market share in this sample.

The final tests regard P3, that consumer satisfaction is related to market share. As shown in the table, the one test statistic is significant and negative ($r'=-.900$). Thus, support is provided for P3: satisfaction is associated with market share, but in a negative manner.

DISCUSSION/LIMITATIONS

The results indicate that the model is not as broad-ranging as might be expected, since one of the three proposed relationships are not supported. The findings suggest that there is a positive relationship in health clubs between loyalty and market share. This is congruent with many other studies across industries (Reinartz & Kumar 2002). Also, it is found that there is a negative relationship between satisfaction and market share. This is not totally unexpected in services where smaller volumes allow for better customer service.

Finally, no relationship is found between satisfaction and loyalty. It should be noted that satisfaction is only one aspect of the jumble which contributes to ultimate loyalty of buyers (Oliver 1999). Situational or socio-cultural influences might lead a satisfied buyer to purchase other brands on a regular basis. In university settings, for example, emphasis is placed on reference groups as well as social status. It may be possible that a buyer is pressured by friends to use a specific retailer because everyone else in the group shows patronage there. Or, it may be that one retailer has a much better reputation leading the buyer to switch even though there is satisfaction with a lower status retailer.

The readers must wonder if the current findings are indicative of general tendencies or simply a characteristic of this limited student-based study. The investigation needs to be repeated using additional retailer types as well as larger more appropriate samples. Another limitation would be the statistical test, which does not offer the same "power" as other parametric tests do. Therefore,

the ability of the Spearman test to actually reject a false null hypothesis is smaller than might be possible with other tests.

REFERENCES

- Ching, W., Ng, M.K. and Wong, K. (2004) "Hidden Markov models and their applications to customer relationship management", *Journal of Management Mathematics*, 15 (1), 13-24,
- Cooil, B., Keiningam, T., Aksoy, L, and Hsu, M. (2007) "A longitudinal analysis of customer satisfaction and share of wallet: Investigating the moderating effect of customer characteristics", *Journal of Marketing*, 71, 67-83.
- Dick, A.S. and Basu, K. (1994) "Consumer loyalty: Toward an integrated framework", *Journal of the Academy of Marketing Science*, 22 (2), 99-113.
- Fader, P.S. and Schmittlein, D.C. (1993) "Excess behavioral loyalty for high-share brands: Deviations from Dirichlet model for request purchasing", *Journal of Marketing Research*, 30 (Nov), 478-493.
- Gounaris, S. and Stathakopoulos, V. (2004) "Antecedents and consequences of brand loyalty: An empirical study", *Journal of Brand Management*, 11 (4), 283-307.
- Keith, R.J. (1960) "The marketing revolution", *Journal of Marketing*, 24, 35-38.
- Knox, S.D. and Denison, T.J. (2000) "Store loyalty: Its impact on retail revenues – An empirical study of purchasing behavior in the UK", *Journal of Retailing and Consumer Services*, 7, 33-45.
- Leavitt, T. (1960) "Marketing myopia", *Harvard Business Review*, (July-August).
- Lehmann, D.R. and Winner, R.S. (1997) *Analysis for Marketing Planning*, 4th edition, Burr Ridge, IL: Irwin.
- Leverin, A and Liljander, V. (2006) "Does relationship marketing improve customer relationship satisfaction and loyalty?", *International Journal of Bank Marketing*, 24 (4), 232-251.
- McDowell, W.S. and Dick, S.J. (2001) "Using TV daypart 'double jeopardy effects' to boost advertising efficiency", *Journal of Advertising Research*, 41 (6), 43-51.
- Mitchell, V.W. and Kiral, R.H. (1998) "Primary and secondary store-loyal customer perceptions of grocery retailers", *British Food Journal*, 15 (7), 312-319.
- Oliver, R.L. (1999) "Whence consumer loyalty?", *Journal of Marketing*, 63, 33-45.

- Oliver, R. L. (1980) "A Cognitive model of antecedents and consequences of satisfaction decision", *Journal of Marketing Research*, 17, 460-469.
- Reichheld, F.F. (2003) "The one number you need to grow", *Harvard Business Review*, 82 (12), 46-54.
- Reichheld, F.F. and Sasser, W.E., Jr. (1990) "Zero defections: Quality comes to services", *Harvard Business Review*, 68 (5), 105-111.
- Reinartz, W.J. and Kumar, V. (2002) "The mismanagement of customer loyalty", *Harvard Business Review*, 80 (7), 4-12.
- Shankar, V., Smith, A., and Rangaswamy, A. (2003) "Customer Satisfaction and Loyalty in Online and Offline Environments", *International Journal of Research in Marketing*, 20 (2), 153-75.
- Spearman, C.E. (1904) "The proof and measure of association between two things", *American Journal of Psychology*, 15, 72-101.
- Story, J. and Hess, J. (2006) "Segmenting customer-brand relations: Beyond the personal relationship metaphor", *Journal of Consumer Marketing*, 23 (7), 406-413.
- Tellervision (2006) "Banks face big challenges in satisfying customers", Aspen Publisher, # 1345, May.
- Verhoef, P.C. (2003) "Understanding the effect of customer relationship management efforts on customer retention and customer share development", *Journal of Marketing*, 67 (4), 30-45.

PILOT STUDY OF THE PERCEPTIONS OF SMALL DOWNTOWN RETAILERS REGARDING THE IMPACT OF MEGA STORES: AN OPTIMUM BALANCE DESIRED

Dr. James Ricks, Southeast Missouri State University
Dianne Pettypool, Southeast Missouri State University

ABSTRACT

This study examines the extent to which small, downtown, retailers in Cape Girardeau, Missouri, are affected by superstores which are primarily in the outer ring of the city. The study investigates the perception of the small retailers regarding the impact of the superstores in the area and student opinions of shopping in the area. This research is a pilot study to help determine the optimum mixture of retailers of all sizes and types within a medium sized community. Cape Girardeau is a regional shopping hub serving city residents as well as consumers driving from Southern Illinois and the Bootheel of Missouri.

METHODOLOGY

This study surveyed all 100 shop tenants doing business in the downtown Cape Girardeau, Missouri, area. The survey was mailed to all 100 shop tenants, small businesses, located in the downtown area, bordered by the Mississippi River and extending to Broadway, a main street in the downtown area. Their contact details were collected from the telephone directory. All participation was voluntary. Businesses were invited to list their contact details at the end of the survey, although this was not required.

The questions measure the projected impact that large, national discount retailers such as Wal-Mart, Target, Sam's Clubs, and Lowe's have on the economy of the Cape Girardeau, community. Basic demographic data was collected, such as length of operation, type of establishment, number of employees, advertising methods and opening hours. Data was collected to identify, report and interpret the behaviors, beliefs and observations of these small businesses in Cape Girardeau. Collected data was transferred to SPSS.

Of the 100 surveys mailed, 22 were returned within the time frame for an initial response rate of 22% . Based on follow up telephone calls, another 9 were returned. In total the survey questionnaire yielded 31 usable questionnaires for a total response rate of 31%.

Results

Table 1 Impact large retail chains have on small business (n=31) Mean Chart (Scale: see appendix a attitudinal survey)		
	Mean	Median
Impact of large retail chains in nearby location on economic health of small business	2 (negative)	2
Number of employees currently employed by small business	2.06 (6-10)	1
Effect of large retail chains in nearby location on total employment	0 (no change)	0
Annual sales volume of small business	4.26 (\$300,001-500,000)	5
Effect of large retail chains in nearby location on sales of small business	-0.26 0.26	-0.25
Effect of large retail chains in nearby location on profitability of small business	-0.28 0.28	-0.28
Effect of large retail chains purchasing products directly from manufacturers on purchasing practices of small business	2.17 (negative)	2

Table 2 Impact large retail chains have on small business (n=31) Significant Correlations		
	Pearson Correlation	Significance at .05 level or less (2-tailed)
Effect of large retail chains in nearby location on profitability of small business & effect of large retail chains in nearby location on sales of small business	0.9	0
Impact of large retail chains in nearby location on economic health of small business & effect of large retail chains in nearby location on total employment	0.571	0.003
Impact of large retail chains in nearby location on economic health of small business & effect of large retail chains purchasing products directly from manufacturers on purchasing practices of small business	0.393	0.035

Table 2 Impact large retail chains have on small business (n=31) Significant Correlations		
	Pearson Correlation	Significance at .05 level or less (2-tailed)
Effect of large retail chains purchasing products directly from manufacturers on purchasing practices of small business & Effect of large retail chains in nearby location on sales of small business	0.594	0.003
Effect of large retail chains purchasing products directly from manufacturers on purchasing practices of small business & Effect of large retail chains in nearby location on profitability of small business	0.442	0.031

Table 3 Impact large retail chains have on small business (n=31) Significant Correlations		
	Spearman's rho	Significance at .05 level or less (2-tailed)
Impact of large retail chains in nearby location on economic health of small business & effect of large retail chains in nearby location on sales of small business	0.537	0.008
Impact of large retail chains in nearby location on economic health of small business & effect of large retail chains in nearby location on profitability of small business	0.511	0.011

These two variables are most highly correlated (significance of .003, at a .01 level in a two tailed test). Because of the negative impact that large retail stores have on the economic health of these small businesses, they need to do everything they can to keep their costs at the lowest level. Since employees are such a great part of the cost factor, the least amount of employees must be retained.

Although the impact that the large chains have on a small business' own employees will be negative, owners do expect total employment will increase slightly. They do expect that more jobs will be offered in Cape Girardeau as a result of the large retailers opening stores nearby. Even though the mean to this question is zero, the most commonly chosen answer, indicated by the mode (see chart 1) was positive .1, indicating a slight increase in total employment. This is surprising, as it is expected that the local small business retailers would indicate a decrease in total employment. The assumption here is that the small retailers interpreted this question as total employment in Cape Girardeau, and they expect the larger retailers to be able to offer more jobs, hence increasing total

employment in Cape Girardeau slightly. Small retailers expect a shift in employment, from small business to larger retailers. This is further supported by the fact that the most common answer for the small retailers indicating the amount of employees they hire is between 0-5

The results of the survey indicated that many stores are closed on Sundays, this is demonstrated by the fact that 75% of the respondents indicated that they have no traffic on Sundays. As almost all stores are closed on Sundays, the stores that are open have very little traffic, because the perception is that all stores are closed on Sundays. This implies that the stores that are open on Sundays receive very little traffic.

CONCLUSION

Since this is only a pilot study, the concepts need to be further investigated; however some very significant trends have been identified. The results of the survey reveal that the small business retailers clearly indicate that they are negatively affected in their profits, sales and economic health by the nearby location of the large retail stores. Generally speaking, there are three options the small business retailers have to minimize the competition. They can make changes from within (by adjusting their services, opening hours, quality, and prices), approach the local government to make the area in downtown Cape Girardeau, where most of the small business retailers are located, a nicer place to shop, or a combination of the two. Most small businesses indicated in the survey that as a reaction to the increasing number of large retail stores in Cape Girardeau, they need to focus on improving their marketing, provide more services, and expand their product lines. Some suffer so severely that they are considering closing their businesses.

Another possibility suggested earlier is approaching the local governmental offices and the Chamber of Commerce, as well as non-profit organizations. Small retailers should, as associations, encourage the city to have more planned activities and special events in the downtown area, where most small businesses are located. Events of this nature will encourage traffic flow and familiarization with the local businesses. One final conclusion; It is very important to promote downtown parking. Although there is parking available, it is perceived that customers have to walk too far. Technically is not much different from walking across the big parking lots in the large retailers. Parking in big parking lots is perceived as more convenient than it actually is; advertising is a great way of changing the perception that downtown involves too much walking.

IMPLICATIONS

Chamber of Commerce's and municipals need to search for the optimum balance of small and superstores to protect the local retailers from too much competition, but enough to attract consumers to Cape Girardeau.

Local retailers need to pursue a strategy of offering different services from the superstores which offers them a competitive advantage.

Local governmental offices and the Chamber of Commerce, as well as non-profit organizations should promote, support and encourage events and fairs in the downtown area of Cape Girardeau to familiarize the consumers with the local small businesses and attract traffic in general.

REFERENCES

- Anderson, C.H. and Kaminsky, M. (1985), "The Out shopper Problem: A Group Approach for Small Business," *American Journal of Small Business*, Vol. 9.4, pp. 34-45.
- Dalal, M., Al-Khatib, J., DaCosta, M., and Decker, R. (1994), "Why do Small Towns Lose Retail Business?: An Empirical Investigation," *Mid-Atlantic Journal of Business*, Vol. 3, No. 3, December, pp. 241-252.
- Darden, W.R. and Perrault, W.D. (1976), "Identifying Interurban Shoppers: Multiproduct Purchase Patterns and Segmentation Profiles," *Journal of Marketing Research*, Vol. 13, pp. 51-60.
- Grimm, J. (2003), "Homogenization of the American Market Place," Southeast Missouri State University, pp. 19-24.
- Hawes, J.M. and Lumpkin J.R. (1984), "Understanding the Out shopper," *Journal of the Academy of Marketing Science*, Vol. 12.4, pp. 200-218.
- Hopper, J.A. and Lipscomb, T.J. (1991), "An Investigation of Differences Between Male and Female Out shoppers: Strategic Implications," *Akron Business and Economic Review*, Volt 22.4, pp. 109-120.
- Jarratt, D. (2000), "Outshopping Behavior: An Explanation of Behavior by Shopper Segment Using Structural Equation Modeling," *The International Review of Retail, Distribution and Consumer Research*, Vol. 10.3, pp. 287-304.
- Kemmerer, B., Simpson L. and Wayland, J. (2003), "Rural Retailing: Understanding the Multichannel Out shopper," *ACME 2003 Proceedings*, Eastern Illinois University, pp. 38-40.
- Knotwell, J. (1995), "Adapting to the Entrance of Discount Retail Chains: The Case of the North Platte, Nebraska Area," *Economic Development Review*, Vol. 13, Issue 2, pp. 70-75.
- Lawhead, T. (1995), "A Comprehensive Strategy for Rural Downtowns," *Economic Development Review*, Vol. 13, Issue 2, pp. 75-81.
- Lumpkin, J.R., Hawes J.M., and Darden, W.R. (1986), "Shopping Patterns of the Rural Consumer: Exploring the Relationship Between Shopping Orientations and Outshopping," *Journal of Business Research*, Vol. 14, pp. 63-81.
- Miller, N.J. and Kean, R.C. (1997), "Factors Contributing to Inshopping Behavior in Rural Trade Areas: Implications for Local Retailers," *Journal of Small Business Management*, Vol. 35, April, pp. 80-94.

- Papadopoulos, N.G. (1980), "Consumer Outshopping Research: Review and Extension," *Journal of Retailing*, Vol. 56, Winter, pp. 41-58.
- Samli, A.C., Riecken, G., and Yavas, U. (1983), "Intermarket Shopping Behavior and the Small Community: Problems and Prospects of a Widespread Phenomenon," *Journal of the Academy of Marketing Science*, Vol. 11.2, pp. 1-14.
- Smith, M. (1999) "Urban versus suburban consumers: a contrast in holiday shopping purchase intentions and outshopping behavior." *The Journal of Consumer Marketing*, Vol. 16, Iss. 1, pp. 58.
- Sullivan, P. and Savitt, R. (1997), "Store Patronage and Lifestyle Factors: Implications for Rural Grocery Retailers," *International Journal of Retail and Distribution Management*, Vol. 25, Issue 10/11, pp. 351-365.
- Thompson, J.R. (1971a), "Characteristics and Behavior of Out-Shopping Consumers," *Journal of Retailing*, Vol. 47, Spring, pp. 70-80.
- Thibodeaux, T. (2000), "Online Shoppers Defined," *Dealerscope*, Vol.42.12, pp. 8.
- Wiles, J. (1999), "An Analysis of Consumers' Attitudes and Preferences of Shopping Districts in Cape Girardeau," Southeast Missouri State University, pp. 88.

