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Connie Bateman
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THE IMPACT OF EXPERIENTIAL LEARNING ON STUDENT PERCEPTIONS OF A CAREER IN SALES

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ABSTRACT

Students may or may not realize that personal selling is a part of daily life. Although prevalent, the area of sales has often been viewed as a tool used to coerce people into buying things they do not need. Students in particular have a negative perception of a career in sales. Thus, while research shows that the majority of undergraduate business students will be in sales at some point, many are averse to personal selling as a career.

A study was conducted to explore the impact of participation in a Personal Selling Experiential Learning (ExL) course on student perceptions of a career in sales. Findings show that while an ExL course in sales does not necessarily change aversion to sales (attitude and intention), it positively impacts the factors affecting aversion (knowledge, confidence, and perceptions). Further exploration should consider using a more diverse sample for comparisons across majors, exploration of the impact of multiple sales courses, and assessment of the long-term effects of ExL sales courses.

INTRODUCTION

As sales educators, we recognize that the production era's "sell what you can produce" mentality (Weitz, Castleberry, & Tanner, 2008) has led to negative perceptions of the sales profession and of salespeople. Although there is improvement in student perceptions of a career in sales, the overall attitude of students is fairly negative and few are enthusiastic about pursuing a career in sales (Amin, Hayajneh, & Nwakanma, 1995; Bristow, Gulati, & Amyx, 2006). Media has also portrayed salespeople in a negative light, often suggesting unethical behavior, dishonesty, and manipulation (Hartman, 2006; Waldeck, Pullins, & Houlette, 2010). Salespeople are viewed as pushy, insincere, and selfish, and are inaccurately perceived as bad role models for students. This negative perception of sales and salespeople may impact one's willingness to consider sales as a career.

This paper explored the effects of an Experiential Learning introductory sales course entitled "Personal Selling" on student perceptions of and aversion to a career in sales. The course runs each semester and includes various experiential learning exercises including role-plays, a half-day shadowing experience called the professional development project (PDP), and a class-specific sales competition. The professional development project requires students to a) shadow a sales professional on a sales call, b) interview the professional about concepts from the book, and c) do a mock sale with the sales professional. The sales professional, who acts as the buyer in the mock sale, evaluates the student's performance and discusses the student's strengths and weaknesses with the student. This particular project allows the student to both observe and practice selling. In this type of experiential learning, there is a class environment that allows students to a) readily link the theory they are learning to the experiential exercises, b) receive immediate feedback from the instructor, fellow students, and sales professionals, and c) experience sales calls in a low-risk environment where failure does not cost him/her the job.

The authors were inspired to explore the impact of experiential education on perceptions of sales for a number of reasons. First, the area of sales is ubiquitous; it touches every aspect of our lives, both personal and professional. Sales is evident in the way people build and maintain relationships, convince others of their ideas, negotiate terms at work and in friendships (ex: where to go for lunch), and portray themselves to others (ex: in a resume, interview, first date). Second, the area of sales is essential to business (Bristow, et al., 2006) and is in demand. In fact, a career in sales was in the top four most promising careers for college graduates in 2006 (Shaw, 2007) and the number of professional sales positions is predicted to grow (Waldeck, et al., 2010). Third, the majority of marketing majors and about half of finance majors will be in a sales position at some point in their careers (Bobot, 2010). Fourth, sales is becoming more of a profession like law and medicine (Hawes, Rich, & Widmier, 2004), requiring exploration into what works and what doesn't. Finally, as educators, we saw that students often came into their first sales course with a lot of uncertainty, negative views of salespeople, and fear about being in a sales position.

Since personal selling involves building relationships with clients, it is essential that students possess both professional and interpersonal skills, skills best learned through experience (Hawes & Foley, 2006). However, even with an increasing number of professional sales positions anticipated (9% - 25% increase by 2016) and a greater emphasis on sales education in colleges and universities, negative perceptions of a career in sales persist among students (Waldeck, et al., 2010). This study explored the impact of teaching experientially, where students learn through experience, on perceptions of a career in sales. That is, if students are taught experientially, do their perceptions of salespeople and a career in sales improve?

In this paper, the term "sales" describes the overarching field that addresses how people sell a product or service, while "personal selling" is the process of meeting face-to-face with clients in order to uncover and satisfy needs in such a way that both parties benefit (cf. Weitz, et al., 2008). Consistent with past sales research, this paper focuses on nonretail or "professional sales," which focuses on sales that use the sales process (prospecting, approach, etc). Sales professionals include insurance agents, sales representatives (pharmaceutical, manufacturer, or other company representative), and others who use the sales process to sell to clients. Professional sales positions are different from retail sales positions, which are not explored, as retail sales are more focused on customer service and require minimal training in the sales process (ex: store clerks). Additionally, the terms "personal selling" and "professional selling" are used interchangeably as referring to sales professionals that meet directly with clients and use the sales process to uncover and satisfy needs.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Sales is essential to business, and salespeople are the primary link between companies and customers (Shaw, 2007). As such, recruiters are vying for talented college graduates with sales education and experience (Michaels & Marshall, 2002). In fact, some universities see students with varying business majors regularly competing to enter sales courses (Bristow, et al., 2006) as these courses give students a competitive edge when looking for a job. Both business and non-business students are beginning to see the relevance of learning sales skills (Shaw, 2007), and it is approximated that of those with business degrees, 80% of marketing majors and 50% of finance majors will find themselves in sales at some point (Bobot, 2010). However, practitioners have at times argued that sales skills taught in academia are often inadequate (Johnson, 1990), rendering students ill-prepared for sales careers, particularly with regard to communication (oral and written), interpersonal, and creative thinking (or problem-solving) skills. There is a growing need to better prepare students, particularly marketing majors, for a career in sales.

This challenge to prepare students for sales is more important than ever as expectations that salespeople "adjust to consumer demands, organizational needs, and environmental pressures" (Artis & Harris, 2007, p. 9) continue to grow. In the late 1990's, Rolph E. Anderson (1996) anticipated the changes that would impact sales in the 21st century. He foresaw that customer expectations would continue to rise, customers would increasingly avoid negotiations with salespeople, giant retailers would require more of salespeople (ordering, billing, inventory management, promotion assistance), and many other trends that would challenge the way in which salespeople operate in the work place. Much of what Anderson predicted has taken place. The job of a salesperson has taken on new dimensions and has become more complex than ever. It is essential that students learn to link sales theory with practice so that they understand and succeed in the complex environment of this "evolving profession" called sales (Hawes, et al., 2004, p. 35).

Since learning sales skills is multifaceted, involving the learning of complex skills and techniques that cannot be learned through readings and lectures alone (Michaels & Marshall, 2002), the general aversion to a sales career (attitude and behavior/intention; Merriam-Webster, 2011) may be related to students' inability to link theory and practice. The practical nature of sales begs that educators move "from a passive learning model to an active learning model, from a lecture approach to an experiential learning approach" (Anderson, et al., 2005, p. 2). Sales educators have begun to meet this challenge, researching and applying effective education methods to train students in such skills as adaptability, problem-solving, and interpersonal relations. Numerous experiential exercises are being implemented in sales classes today including: a two and one half day sales blitz event, advertising spot sales for the university's newspaper, sales of magazine subscriptions or season tickets to the university's dramatic events, sales projects for local businesses or the university (Chapman & Avila, 1991), and projects where advanced sales students sell the benefits of the sales program to other students (Neeley & Cherry, 2010). Educators are increasingly using experiential learning to simulate "real world" experiences through various role-plays, cases, simulations, sales presentations, professional development projects that often involve interactions with sales professionals, and service learning projects with nonprofit organizations (Bobot, 2010; Chapman & Avila, 1991; Hawes & Foley, 2006; Shaw, 2007).

The use of role-plays has been found particularly useful in helping students develop and apply personal selling skills, reflect upon their own performance with regard to each stage in the sales process, and receive constructive feedback to further develop sales skills (Carroll, 2006). Learning experientially has allowed students to develop into professional salespeople who are able to effectively and professionally communicate, develop relationships with and problem-solve for clients, gather and synthesize information needed for sales calls, deal with complex sales and ethical issues, and make informed judgments in unanticipated situations (Michaels & Marshall, 2002).

Experiential Learning (ExL) literature maintains experience as an essential component of the learning process, largely founded on the work of education and psychology notables John Dewey, Kurt Lewin, and Jean Piaget. Ideas are not viewed as fixed elements of thought but as components formed and reformed through experience, "the process whereby knowledge is created through the transformation of experience" (D. A. Kolb, 1984, p. 38). ExL necessitates interaction with one's environment and assimilation of the experience into concepts as essential to learning (Dewey, 1938; Piaget). Thus, learning involves observation of surrounding conditions, knowledge of similar past situations, and judgment, the putting together of what is observed and recalled. Kurt Lewin's (1948) laboratory training model allows us to see this interaction through a four stage cycle: 1) concrete experience, 2) observations and reflections, 3) the formation of abstract concepts and generalizations, and 4) the testing of implications of concepts in new situations. These stages are not linear, but cyclical. Thus, regardless at which stage one begins, experiential learning is most effective when students go through all four stages and effectively link the experience with the theoretical concepts (Young, 2002). Experience alone is not instructional unless students deeply reflect and think about these experiences, linking the experiences with theoretical knowledge. As such, instructors must use the experience to help students internalize the theory through reflection and abstract conceptualization.

In an academic environment, ExL is facilitated is when: 1) students participate completely in the learning process and have control over its direction, 2) there is direct confrontation with practical, social, personal, or research problems, and 3) self-evaluation is used as the principal method of assessing progress or success (Rogers & Freiberg, 1994). Students enter higher education conditioned by their previous educational experiences to be passive recipients of what they are taught. Allowing students to take control of and responsibility for their learning greatly enhances their ability to learn from experience (A. Y. Kolb & Kolb, 2005). The text-driven approach of business education contrasts with the experiential learning process of demonstration—practice—production—critique used in liberal arts classes, and may prove to be a major reason for decreased practical understanding, skill development, confidence, and attitude. The following sections detail how one ExL Personal Selling course was used to explore the effects of experiential learning on perceptions of sales.

Research Hypotheses

As mentioned earlier, experience alone is not instructional unless students can think deeply about and reflect on the experience (Young, 2002). Experiential learning is most effective when students are able to use experience to internalize theory. Sales educators design courses with this in mind, creating realistic situations that allow students to apply specific skills (through role-plays) based on theoretical knowledge learned in class (Good & Swift, 1996). Thus, both knowledge and experience are needed in order for experiential learning to take place, for it is knowledge that is created through the tranforming power of experience (cf. D. A. Kolb, 1984).

Research into the impact of experiential education on student learning finds that students believe they learn more from experiential excercises than from traditional lectures. Doris Shaw (2007) used a form of experiential learning called service learning in her sales classroom to connect students with nonprofit organizations (NPO). Shaw found that learning improved during the service learning portion of the course, which followed the traditional lecture portion. Students felt that not only had their skills (communication and writing) and confidence improved, but also their relationships with other students. Dennis Bristow and colleagues (2006) looked across 6 universities at 917 students and compared those in sales-related courses with those in nonsales-related courses. The authors found that students with sales-related coursework both improved their skills (listening and communication) and felt that the sales courses provided them with excellent preparation for effectively prospecting and conducting sales calls. Students who took sales courses believed that they were better prepared to succeed in sales than those who had not taken sales courses. It was also noted that newly hired salespeople with sales course experience were more optimistic and more confident in their ability to perform successfully than new salespeople without sales course experience. While the authors did not specify if the courses were experiential, it is important to note that exposure to the sales process built students' skills and confidence. Thus, it is expected that students' knowledge of sales and confidence in their own abilities will increase over the course of a semester-long experiential learning Personal Selling course (from pre-test to post-test).

H1a Knowledge of sales techniques will increase after participation in a Personal Selling ExL course.

H1b Confidence will increase after participation in a Personal Selling ExL course.

Students in sales-related courses are more likely to have positive perceptions of sales people, albeit these are only slightly more positive than those without sales courses (Bristow, et al., 2006). Those in sales-related courses have a greater desire to pursue a career in sales and believe that sales provides for fun, exciting, and valuable opportunities for growth. Amin and colleagues (1995) found that while students had a general negative perception about a career in sales, their perceptions of salespeople and the area of sales were slightly positive (responses were just above the midpoint). Students believed salespeople to be persistent, friendly, professional, and adventurous. Additionally, students believed that sales was a high paying job that provides a needed benefit to society. Even with these slightly positive perceptions, however, students were still not enthusiastic about the prospect of a career in sales. Thus, while students with sales-related coursework have higher intentions to pursue a career in sales, there may be a self-selection bias at play (Bristow, et al., 2006). Sales students' initial intentions may already be high upon entering a sales course, hence the reason for enrolling in a sales course. What about when the course is required? It is expected that an exposure to sales, particularly through experiential learning, will increase students' desires to pursue a career in sales. Thus, it is expected that students' perceptions of salespeople, attitude toward sales, and intention to pursue a career in sales will increase over the course of a semester-long ExL Personal Selling course (from pre-test to post-test).

H1c Perceptions of salespeople will increase after participation in a Personal Selling ExL course.

H1d Attitudes toward a career in sales will increase after participation in a Personal Selling ExL course.

H1e Intention of pursuing a career in sales will increase after participation in a Personal Selling ExL course.

The first five hypotheses look at the impact of a Personal Selling experiential learning course on student perceptions over time. The hands-on learning and professional interaction that ExL provides is expected to increase student knowledge of sales techniques, increase perceptions of salespeople, build confidence in students' sales abilities, and increase attitude and intention toward a sales career. As students learn about real salespeople, interact with sales professionals, and are involved in applying sales techniques through role-plays, their knowledge, perceptions, confidence, attitude, and intention are expected to improve.

The last four hypotheses are predictive and explore relationships among the constructs (see Figure 1). As students gain a knowledge of effective sales techniques and practice using those techniques, it is expected that they will build confidence in multiple areas (ability to sell, use techniques, and succeed in a sales career). Additionally, since confidence has been shown to be a predictor of attitude as well as a moderator of the attitude-intention and thoughts-attitude links (Bergkvist, 2009), it is expected that confidence will positively impact student attitudes toward sales, increasing the likelihood of students pursuing a career in sales. Thus, knowledge is expected to positively impact confidence, confidence and perceptions of salespeople are expected to influence attitude toward sales, and attitude toward sales is expected to positively impact intention of pursuing a sales career. The phrase "positively impact" refers to an expected correlation between constructs that is not inverted, but directionally positive. For example, negative attitude should correlate with negative intention, while positive attitude should correlate with positive intention.

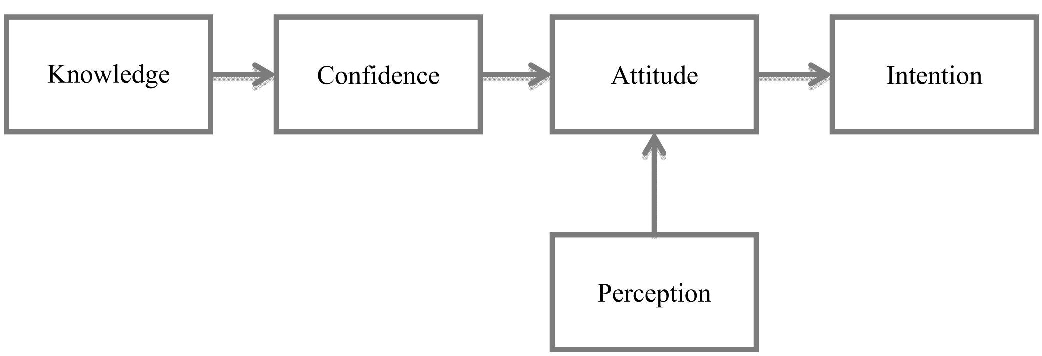
H2a *Knowledge of sales techniques will positively impact Confidence.*

H2b *Confidence will positively impact Attitude toward sales.*

H2c *Perceptions of salespeople will postitively impact Attitude toward sales.*

H2d *Attitude toward sales will postitively impact Intention to pursue a career in sales.*

Figure 1: The Impact of Sales Perceptions



SAMPLE AND METHODOLOGY

The study was conducted with 83 students in a semester-long experiential learning Personal Selling course at a public mid-western university. The course is required for all Marketing majors and provides an overview of sales and the sales process. This course was converted from a theory-based course to an experiential course and includes numerous experiential exercises that allow students to link theory and practice. Kurt Lewin's (1948) training model is used in the classroom in various forms and, depending on the topic, begins at different stages. For example, students are taught a particular sales theory (abstract concepts and generalizations), are allowed to apply this through an in-class role-play (testing concepts in new situations), are given an experiential exercise to do outside of class (concrete experience) after some in-class debriefing (observations and reflections), and are allowed to reflect and debrief again in class after the experiential exercise is completed (observations and reflections). The main experiential exercise is called the professional development project (PDP) and combines a few professinoal activity reports mentioned by Jon Hawes and Linda Foley (2006). This PDP requires students to prospect for a sales professional that they can shadow for half of a workday. Students then a) shadow the sales professional on a sales call, b) interview the professional about concepts from the book, and c) do a mock sale with the sales professional, on which the sales professional then provides feedback to the student. Students then write up a detailed reflection of their PDP experience and highlight what they learned. Thus, each activity in the course allows the students to apply theory through experience and then reflect on that experience in light of theory.

The study was done over the course of three semesters in order to obtain a usable sample (about 28 students take the course each semester). Each of the three semesters, a pre-test was given on the first day of class and a post-test was given on the last day of class. This allowed for assessment of student perceptions both before they had been exposed to sales theory and after they had been through an experiential course on sales. A one-way ANOVA showed that there were no differences across semesters for the 42 pre-test items. Thus, the data was combined and analyses were performed on the entire data set.

Students were asked to respond to a questionnaire about their perceptions of sales. Students responded through 7-point Likert and semantic differential scales (1 = negative perception and 7 = positive perception) that assessed their attitudes toward sales, knowledge of sales techniques, confidence in their abilities, perceptions of salespeople, and intention to pursue a sales career. All scales were adapted from existing measures found in the "Marketing Scales Handbook, Volume IV" (Bruner, Hensel, & James, 2005) and were found to be reliable considering Cronbach's alpha: Attitude ($r = .93$), Knowledge ($r = .92$), Confidence ($r = .95$), Salesperson Perceptions ($r = .82$), and Intention to pursue a sales career ($r = .94$). Knowledge items were adapted to a sales context from two scales on knowledge of products (Bottomley, Doyle, & Green, 2000; Mason, Jensen, Burton, & Roach, 2001). Confidence items were adapted to a sales context from a scale that assessed self-confidence to perform a task (Urbany, Bearden, Kaicker, & Smith-de Borrero, 1997). For further insight into the construct, confidence was measured at three levels: inherent ability confidence (in one's ability to sell), learned skills confidence (in using sales techniques), and self-confidence (succeeding in a sales career). Perception of salespeople items were both adopted from Campbell and Kirmani's (2000) "sincerity of salespeople" scale and from two other scales on likeability and credibility (Bruner, et al., 2005, p. 770-773; Moon, 2000). Attitude items were adapted to a sales context from two scales on attitude toward promotions (Huff & Alden, 1998; Schmitt, Pan, & Tavassoli, 1994). Intention items were created to assess the likelihood of one pursuing a career in sales. Please see the appendix for all items.

Over the course of three semesters, 83 students participated in the study. The pre-test resulted in 75 usable responses and the post-test resulted in 72 usable responses. Only responses having both the pre-test and post-test were used, resulting in 68 usable paired responses. Initial demographics show that respondents ranged in age from 20 to 57, with an average age of 24 years. Fifty-nine percent of students were marketing majors and 53% were male.

RESULTS

In testing the first set of hypotheses, repeated measures ANOVAs were used to compare pre-test and post-test results (see Table 1). Hypothesis H1a predicted an increase in knowledge of sales techniques after participation in the Personal Selling ExL course. Knowledge significantly increased over the course of the semester, supporting H1a.

Table 1: Repeated Measures ANOVA
Pre-test Scores vs. Post-test Scores
(1 = low/negative ... 7 = high/positive)

View of Sales	Pre-test mean	Post-test mean	F-statistic	Df	Significance (two-tailed)
Attitude	5.13	5.14	.003	67	p = .956
Knowledge	4.61	5.43	50.043	67	**p = .000**
Overall Confidence (aggregate)	5.24	5.38	1.660	67	p = .202
Inherent Ability Confidence	5.40	5.26	1.724	67	p = .194
Learned Skills Confidence	4.93	5.49	12.397	67	**p = .001**
Self-Confidence	5.38	5.38	.001	67	p = .974
Perceptions of sales people	4.57	4.98	16.013	67	**p = .000**
Intention to pursue a sales career	4.72	4.49	1.702	67	p = .196

Hypothesis H1b predicted a significant increase in confidence over the course of the Personal Selling ExL class. As confidence was measured at three levels, repeated measures ANOVAs were used to explore changes at each level of confidence as well as overall confidence (aggregate measure). Results show a significant change only in Learned Skills Confidence, partially supporting H1b. Inherent Ability Confidence, Self-Confidence, and the aggregate Overall Confidence show no change over time.

Hypothesis H1c predicted that perceptions of salespeople would increase over the course of the Personal Selling ExL class. Perceptions of salespeople significantly increased, supporting H1c.

Hypothesis H1d predicted an increase in attitude after participation in the Personal Selling ExL course. Attitude, however, showed no significant change. Thus, hypothesis H1d was not supported.

Hypothesis H1e predicted that intention to pursue a career in sales would increase over the course of the Personal Selling Exl class. Intention, however, showed no significant change. Thus, hypothesis H1e was not supported.

In testing the second set of hypotheses, regressions were used on both pre-test (Table 2) and post-test (Table 3) data. Hypothesis H2a predicted that knowledge of sales techniques would positively impact confidence. Knowledge was found to be a predictor of confidence at all levels. Pre-test regression results show that knowledge significantly predicts overall confidence (β = .711, t(73) = 8.645, p = .000) and explains about half of the variance in overall confidence scores, R^2 = .51, F(1, 73) = 74.731, p = .000. Post-test regression results show that knowledge significantly predicts overall confidence (β = .552, t(70) = 5.542, p = .000) and explains some of the variance in overall confidence scores, R^2 = .31, F(1, 70) = 30.712, p = .000. Thus, hypothesis H2a is supported in both the pre-test and post-test.

Hypothesis H2b predicted that confidence would positively impact attitude toward sales. Confidence at all levels was found to be a predictor of attitude. Pre-test regression results show that overall confidence significantly predicts attitude (β = .451, t(73) = 4.322, p = .000) and explains some of the variance in attitude scores, R^2 = .20, F(1, 73) = 18.678, p = .000. Post-test regression results show that overall confidence significantly predicts attitude (β = .703, t(70) = 8.264, p = .000) and explains about half of the variance in attitude scores, R^2 = .49, F(1, 70) = 68.295, p = .000. Thus, hypothesis H2b is supported in both the pre-test and post-test.

Hypothesis H2c predicted that perceptions of salespeople would positively impact attitude toward sales. Perceptions of salespeople was found to be a predictor of attitude. Pre-test regression results show that perceptions of salespeople significantly predict attitude (β = .452, t(73) = 4.326, p = .000) and explain some of the variance in attitude scores, R^2 = .20, F(1, 73) = 18.713, p = .000. Post-test regression results show that perceptions of salespeople significantly predict attitude (β = .516, t(73) = 5.045, p = .000) and explain some of the variance in attitude scores, R^2 = .27, F(1, 73) = 25.451, p = .000. Thus, hypothesis H2c is supported in both the pre-test and post-test.

Hypothesis H2d predicted that attitude toward sales would positively impact intention to pursue a career in sales. Attitude was found to be a predictor of intention. Pre-test regression results show that attitude significantly predicts intention (β = .740, t(73) = 9.411, p = .000) and explains about half of the variance in intention scores, R^2 = .55, $F(1, 73)$ = 88.563, p = .000. Post-test regression results show that attitude significantly predicts intention (β = .674, $t(70)$ = 7.638, p = .000) and explains about half of the variance in intention scores, R^2 = .46, $F(1, 70)$ = 58.332, p = .000. Thus, hypothesis H2d is supported in both the pre-test and post-test.

Table 2: Pre-Test Regressions

Independent Variable	Dependent Variable	Df	F-statistic	R^2 (unadjusted)	Significance (one-tailed)
Knowledge	Overall Confidence (aggregate)	73	74.731	.51	***p* = .000**
Knowledge	Inherent Ability Confidence	73	46.821	.39	***p* = .000**
Knowledge	Learned Skills Confidence	73	68.689	.49	***p* = .000**
Knowledge	Self-Confidence	73	41.143	.36	***p* = .000**
Overall Confidence (aggregate)	Attitude	73	18.678	.20	***p* = .000**
Inherent Ability Confidence	Attitude	73	9.362	.11	***p* = .003**
Learned Skills Confidence	Attitude	73	10.046	.12	***p* = .002**
Self-Confidence	Attitude	73	28.599	.28	***p* = .000**
Perceptions of sales people	Attitude	73	18.713	.20	***p* = .000**
Attitude	Intention	73	88.563	.55	***p* = .000**

Table 3: Post-Test Regressions

Independent Variable	Dependent Variable	Df	F-statistic	R^2 (unadjusted)	Significance (one-tailed)
Knowledge	Overall Confidence (aggregate)	70	30.712	.31	***p* = .000**
Knowledge	Inherent Ability Confidence	70	22.985	.25	***p* = .000**
Knowledge	Learned Skills Confidence	70	23.977	.26	***p* = .000**
Knowledge	Self-Confidence	70	28.509	.29	***p* = .000**
Overall Confidence (aggregate)	Attitude	70	68.295	.49	***p* = .000**
Inherent Ability Confidence	Attitude	70	46.728	.40	***p* = .000**
Learned Skills Confidence	Attitude	70	38.310	.35	***p* = .000**
Self-Confidence	Attitude	70	76.467	.52	***p* = .000**

Table 3: Post-Test Regressions					
Independent Variable	**Dependent Variable**	**Df**	**F-statistic**	**R^2 (unadjusted)**	**Significance (one-tailed)**
Perceptions of sales people	Attitude	70	25.451	.27	***p* = .000**
Attitude	Intention	70	58.332	.46	***p* = .000**

DISCUSSION

This study sought to explore the impact of student participation in one Personal Selling ExL course on student perceptions of sales. Findings show that while an ExL course in sales does not necessarily change one's aversion to sales (attitude and intention) over the course of one semester, the factors affecting aversion show a clear line of predictability. When considering the second set of hypotheses (impact of sales perceptions), all of the links were directionally positive and are intuitive. As expected, knowledge leads to greater confidence (at all levels), which leads to a higher attitude toward sales that then leads to a greater intention to pursue a career in sales. As students' knowledge of sales increases and their skills are developed through hands-on practice, confidence grows and becomes a predictor of attitude, which has been shown in other studies to be a predictor of intention (Bergkvist, 2009). Additionally, perceptions of salespeople also positively impact attitude toward sales, which impacts intention. This implies that a richer understanding of professional sales along with the ability to apply sales skills can decrease aversion to sales (attitude and intention). However, this change may not happen or be measurable during the course of only one semester.

A few specific findings from the first set of hypotheses (change over time) stand out. In line with a few past studies (Amin, et al., 1995; Bristow, et al., 2006), findings show that student knowledge of sales and perceptions of salespeople increase over the course of one semester. These findings are encouraging as initial student perceptions of sales and salespeople are often negative, impacting student willingness to pursue a career in sales and/or making them apprehensive about a sales career. Sales educators teaching ExL courses attempt to give students a richer perspective of all that sales entails. Students often come in with a good understanding of retail sales, but are familiarized with professional sales during the course. Students are exposed to professional sales concepts, examples of sales situations, and interactions with actual nonretail sales professionals, allowing them to better understand the need for relationship-building, communication, and adaptability within a professional sales context. This exposure increases not only students' knowledge of sales and perceptions of salespeople, but also confidence in their ability to apply sales skills in a real situation (learned skills confidence). These findings imply that an ExL sales course gives students a) a richer perspective of sales and salespeople and b) greater confidence in their ability to "do" sales.

A few other interesting findings have to do with what the study did not find. While students' confidence in using sales skills increased, their internal confidence does not change.

That is, students had the same level of confidence in their abilities to sell a product (inherent ability confidence) and to succeed in sales (self-confidence) the last day of class as they did the first. This is perhaps because this type of confidence describes an internal perception of one's belief in his/her capabilities (see also "self-efficacy"; Bandura, 1977). This internal confidence in oneself is unlikely to change over the course of one semester. Additionally, attitude toward sales and intention to pursue a sales career did not change after student participation in the sales ExL class. This could be due to a number of reasons. First, it can be difficult to change a person's ingrained attitudes and intentions toward a career within the course of one semester, particularly when that individual is close to getting his/her degree (most students take this course within their senior year). In fact, the initial attitude was already quite high (mean = 5.13), making attitude increase incremental and thus hard to capture. Second, self-selection bias may play a large role. While past studies have found that students in sales courses have higher intentions to pursue a sales career (Bristow, et al., 2006), the courses in question are electives for which students compete rather than required courses. In an introductory sales course that is required, self-selection bias does not exist. Students come in at all levels of intention and are unlikely to change a) within one course or b) so close to graduation. Third, the realization of all that professional sales entails (ex: the extensive amount of work it takes to build relationships with clients) may prove to solidify students' initial positions. Students who intended to pursue sales continue to do so and those who had not intended to pursue sales remain with their position. Thus, while students have a greater respect and understanding of sales people (increase in perceptions), they may not necessarily feel compelled to pursue sales as a career.

For sales educators, both findings supporting the hypotheses and those not supporting them prove useful. On the one hand, experiential learning impacts student perceptions of the sales profession by building a positive view of sales and salespeople and increasing students' confidence in their ability to apply sales skills. On the other hand, changing student aversion (attitude and/or intention) should not necessarily be an objective in our courses. It is more important that sales educators inform a richer perspective and more accurate view of the sales profession. When students leave a sales course with a better understanding of what ethical, effective sales "looks like," they are more likely to make informed decisions when a) purchasing from a salesperson and b) faced with daily or even ambiguous work situations (ex: relating to difficult people, uncovering and adapting to customer needs, etc).

There are a few limitations to this study that can be improved in future studies. First, the majority of students were marketing majors in their final year of study. Future research should look at a more diverse sample that can assess changes both within and across majors. Additionally, future research should look at sales courses that are offered earlier in the college experience to see if attitude toward sales and/or intention to pursue a career in sales increases when students have greater flexibility in choosing a career direction. Second, this study considered the impact of one sales course over the course of one semester. As was noted, some internal factors (attitude and intention) are difficult to change within one semester. Future studies should look at changes in sales perceptions over a longer period of time, perhaps using an introductory marketing course for the pre-test. Additionally, future research may consider a three-stage or four-stage study where repeated trials can measure the incremental impact of multiple stages of ExL education on sales perceptions and skills. This type of study may be most appropriate at a university with a sales degree as students would be exposed to multiple sales courses. Third, this study considered only a hands-on ExL sales course. Future studies should consider differences across ExL and non-ExL courses. Additionally, future research may want to consider the role of ExL on the given factors by looking at courses beyond Personal Selling. Fourth, this study did not take into consideration past student experience in sales, either retail or nonretail, nor students' performance in the course. Future studies should explore the impact of past sales experience on sales perceptions. Additionally, a measure beyond a mere grade could be created to simulate levels of potential sales success to explore a) the impact of ExL on success and b) if success has an impact on perceptions. Finally, this study reported only general findings with relation to the role of confidence. It is interesting that students' confidence in their ability to apply sales is the only one that increases over time, while internal confidence stays the same. Future research should explore the role of confidence, particularly within the context of ExL courses.

The study's findings highlight the importance of teaching experientially such that learners are able to link theory with practice. This is a valuable finding both for educators who operate primarily within a classroom setting as well as marketers or sales managers that continually train employees within an organizational setting.

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APPENDIX

Appendix: Scales and Item Measures		
Scale	***Items (1 = negative perception; 7 = positive perception)***	
Knowledge	- Overall, how familiar are you with the area of Sales as part of Marketing? *(Not at all/Very)* - Please rate your knowledge of Personal Selling skills and techniques. *(Very low/Very high)* - Relative to people you know, how would you rate your knowledge of Personal Selling skills and techniques? *(Very low/Very high)* - Relative to a professional sales person, how would you rate your knowledge of Personal Selling skills and techniques? *(Very low/Very high)* - Based on your current knowledge of Sales, how comfortable would you be in working in a sales position? *(Not at all/Very)* - Compared to other students, how much time do you spend learning about Personal Selling skills and techniques? *(Very little/Very much)* - How much information about Personal Selling skills and techniques have you been exposed to during your lifetime? *(Very little/Very much)* - How familiar are you with Personal Selling skills and techniques? *(Not at all/Very)*	
Confidence	1. How confident are you about your ability to sell a product or service? (Inherent Ability) 2. How confident are you about your ability to use Personal Selling techniques? (Learned Skills) 3. How do you feel about your ability to be successful in a sales career? (Self-Confidence)	*Each had the following semantic differential options:* - *Uncertain / Certain* - *Not Sure / Sure* - *Not Confident / Confident*
Perceptions of Salespeople	- Not at all likeable / Very likeable - Not at all friendly / Very friendly - Not at all kind / Very kind - Not at all helpful / Very helpful - Not at all knowledgeable / Very knowledgeable - Insincere / Sincere - Dishonest / Honest - Manipulative / Not manipulative	- Pushy / Not pushy - Not trustworthy / Trustworthy - Biased / Not biased - Not credible / Credible - Not dependable / Dependable - Disreputable / Reputable - A disincentive to buy / An incentive to buy
Attitude	- Not Favorable / Favorable - Dislike / Like - Negative / Positive - Bad / Good	- Disagreeable / Agreeable - Unpleasant / Pleasant - Worthless / Valuable
Intention	- I would consider a career in sales. - I intend to pursue a career in sales. - My first job will be one in sales.	

MANAGERIAL PERCEPTUAL TRAITS AND COMPETITIVE ADVANTAGE REPRESENTATION: ANTECEDENTS AND CONSEQUENCES.

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ABSTRACT

Marketing managers typically have the responsibility of interpreting the environment and making crucial choices about which rivals to confront. They gather information to understand two aspects of competition, market structure and competitive behavior so they can anticipate their actions. This paper examines the influence of these factors and suggests a conceptual framework for building competitive advantage representations based on managerial traits and perceptions; it also investigates potential antecedents for biased managerial assumptions and their consequence effect on the firm's performance.

INTRODUCTION

Competitive analysis is essential for understanding the firm's macro-environment. It significantly influences the strategies a firm adopts to achieve, and sustain, a competitive advantage and consequently improves performance (Deshpande and Gatignon, 1994). White et al. (2003) suggest that in order to survive and prosper in a competitive market, an organization must continuously respond to opportunities and threats posed by an ever changing environment. Earlier research, Day (1984), shows that marketing managers typically have the responsibility of interpreting the environment and making crucial choices about which rivals to confront. They gather information to understand two aspects of competition, market structure and competitive behavior so they can anticipate their actions. Understanding this behavior is necessary to analyze the extent and the type of rivalry that exists (Deshpande and Gatignon, 1994). Clark and Montgomery (1996) add that perceiving competitive reactions requires firms to interpret a competitor's implicit intentions, which is particularly difficult amid the noise of the firm's environment.

Managers develop schemas to process any information regarding the competitive environment and the firm's own competitive abilities and act accordingly; the managerial interpretations as well as the beliefs regarding resources and capabilities will shape the resources committed to particular actions (Grimm et al., 2006). These beliefs are the main drivers of competitive behavior (Gaibraith and Kazanjian, 1986), although they are sometimes distorted and may even lead to competing logics.

Hence, it is surprising that the research models focusing on these issues of decision making, like the impact of managerial traits and beliefs on consequent competitive advantage representations, are few in the marketing literature. This paper examines the influence of these factors and suggests a conceptual framework for building competitive advantage representations based on managerial traits and perceptions; it also investigates potential antecedents for biased managerial assumptions and their consequence effect on the firm's performance.

COMPETITIVE ADVANTAGE REPRESENTATION: CONCEPTUAL FRAMEWORK

According to Alba and Hasher (1983), managerial representations are mental models that serve as a "knowledge framework that selects and actively modifies experience in order to arrive at a coherent, unified, expectation-confirming, and knowledge consistent representation of experience." These representations give managers a coherent structure of knowledge about an area. The content and structure of these representations, however, will vary based on the organization's style of choosing and processing information (Day and Nedungadi, 1994). To understand those representations, a manager needs to interpret all points of superiority or deficiency between a business and its competitors. Thus, managers have to attend to environmental variables their experience taught them not to overlook, and the representation of a competitive advantage will be the "sensible adaption to past events and present realities" (Day and Nedungadi, 1994). White et al. (2003) also propose that marketing managers need to interpret the environment and accordingly make fundamental choices of which market to serve and which competitors to challenge.

Figure 1 illustrates our thesis of how a competitive advantage representation is formulated and its effect on overall business performance.

Antecedents

Firm's Environment

Like Buzzell and Gale (1987) we propose that there are environmental factors with high correlation with profitability that managers need to pay close attention to, including constructs like:

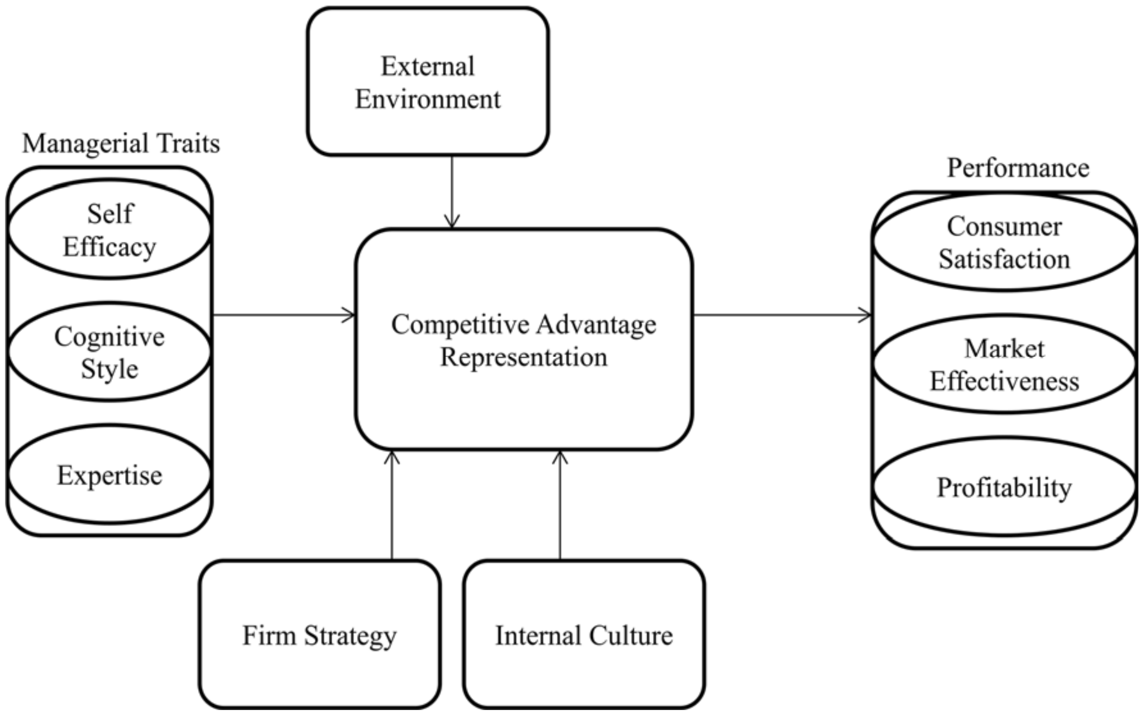
Structure of competition

The more concentrated the structure becomes, the higher the intensity of direct rivalry among competitors. Conversely, when the competition is highly fragmented and there are numerous bases of differentiation, managers will be more responsive to the needs and wishes of customers (Day and Nedungadi, 1994).

Customer bargaining power

Managers need to attend to customers that are willing and able to exercise significant bargaining power (Day and Nedungadi, 1994).

Figure 1



Market growth rate

During periods of environmental uncertainty, especially concerning customer needs and market demand, managers will give the customer dimension a greater weight while building their representations. Towards maturity and as uncertainty about customer needs subsides, the weight is likely to shift to the market and the competition (Day and Nedungadi, 1994).

Firm's Strategy

Porter (1985) suggests that strategies can be classified based on relative emphasis on low cost, differentiation that offers more value, or operating in narrow niches or focus. The pursuit of cost leadership requires constant comparison of the organization's costs with that of direct competitors. Thus, this representation is dominated by competitor comparisons. On the other hand, differentiation strategies involving superior quality, service, or market responsiveness require more customer-oriented representations.

Niche competitors are those who seek to control a target segment by differentiating themselves from broad-coverage competitors who cannot afford to serve those customers. They prosper by catering to a specific type of needs or kind of customers (Clifford and Cavanagh, 1985), thus they have to be very responsive to information about the customers' perceptions of their competitive position.

On the other hand, Deshpande and Gatignon (1994) state that the environment that the managers function in is complex, and they must develop mental representations of the effect of competition on the strategic decisions that they must make. These representations are the result of influences of bounded rationality, limited information -processing capacities, environment complexity, and the normative decision making methods on the managers' mental structures and schemas. Other researches in the field support Deshpande and Gatignon's findings and suggest that manager's representations are analogous to 'schemata', or cognitive frameworks used to guide information processing, inferences, and decision making (Taylor and Croker, 1981; Kieslar and Sproull, 1982; Day and Nedungadi, 1994).

Firm's Culture

Corporate Culture has been identified as the primary impediment to effective competitor analysis (Ghoshal and Westney 1991); Deshpande and Webster (1989) define corporate culture as the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them with the norms for behavior in the organization. Deshpande, Farley, and Webster (1993) develop a model of organizational culture building on the work of Quinn (1988) and others. This "competing values" model postulates that every firm has four modal culture types operating: markets, adhocracies, clans, and hierarchies based on whether the primary organizational focus is on organic or mechanistic process and on internal maintenance or external positioning. Firms tend to have one dominant culture type with others competing for supremacy at corporate, divisional, and subsidiary levels. What is interesting about this particular model of culture types is that the dimension of internal maintenance versus external positioning suggests a continuum of how much emphasis the firm might place on the development and use of competitive analysis information. Clearly, if the shared values and beliefs of its managers lend themselves to emphasizing external positioning over internal maintenance, we would expect more emphasis also on competitive analysis information in order to understand competition and develop more effective differentiation strategies at brand, line, and corporate levels. Hence we would expect market and adhocracy cultures to enhance the production and use of competitive analysis information, and clans and hierarchies to retard its production and use. How much a manager emphasizes the use of competitive analysis information will affect his/her interpretation/ representation of competitive advantage (Day and Nedungadi, 1994).

Self Efficacy

Bandura (1995) discusses the effect of self-efficacy on how people feel, think and act. Self-efficacy beliefs affect whether individuals think in self-enhancing or self-debilitating ways; how well they motivate themselves and persevere in the face of difficulties; the quality of their emotional life; resiliency to adversity; and the choices they make at important decisional points which set life courses (Benight and Bandura, 2004). Self-efficacy plays a key role in stress reactions and quality of coping in threatening situations (Bandura, 1997),

In terms of feeling, a low sense of self-efficacy is associated with depression, anxiety, and helplessness. Such individuals also have low self-esteem and harbor pessimistic thoughts about their accomplishments and personal development. In terms of thinking, a strong sense of competence facilitates cognitive processes and performance in a variety of settings, including quality of decision-making and academic achievement. When it comes to preparing action, self-related cognitions are a major ingredient of the motivation process. Self-efficacy levels can enhance or impede motivation. People with high self-efficacy choose to perform more challenging tasks (Bandura, 1995). They set themselves higher goals and stick to them. Bandura (1995) therefore argues, that behavior can be predicted by predicting perceived self efficacy (a person's beliefs about the capabilities) over actual accomplishments, as self-efficacy determines what people will do with their knowledge and skills.

Consequently, marketing managers with high self-efficacy believe that they have control over the outcomes of a decision, and thus are more likely to perceive the situation they are faced with as more attractive, and thus may be more inclined to set high goals (White et al., 2003). Those managers are more fit to envision solid steps leading to the desired outcome, and will likely assess the situation as one in which their organizations can perform profitably, hence it will influence their competitive advantage representations. In contrast, managers with low self-efficacy are more likely to perceive a given situation as less controllable and as one in which outcomes are a matter of chance. Those managers perceive the situation as one with negative implications, and visualize a process full of anxiety, leading to a poor outcome. Therefore, the higher the self efficacy (i.e. the more controllable a situation is perceived) the better may seem the competitive advantage, and vice versa.

Cognitive Style

Through Cognitive Style, the relatively stable mental structures or processes that people prefer when they perceive and evaluate information (Jung, 1946; Myers and McCaulley, 1985), one can classify people along four dimensions: extrovert – introvert, judging – perceiving, sensing – intuiting, and thinking – feeling. Those dimensions refer to a person's preferences for interpreting his or her environment and acting on that interpretation. Cognitive Style Theory suggests that these dimensions reflect predispositions toward interaction with the outside world and therefore may have important implications for how managers interpret information (White et al., 2003). Following White et al. (2003), this model conceptualizes each of the four dimensions of cognitive style as a bipolar continuum (the greater the score on the extrovert- introvert scale, the more the cognitive style tends toward extrovert; the lower the score, the more the cognitive style tends toward introvert).

Extrovert-Introvert

The extrovert-introvert dimension of cognitive style refers to the manager's partiality to interact with others when making a decision. According to Jung (1946), people with 'more' extroverted cognitive styles are more proficient at dealing with their external environment. Extroverts weigh other individuals' opinions to make sense of situations they're facing. They are willing to share information and ideas freely to try to build support for their analyses (White et al., 2003). Compared to introverted managers, they are better at dealing with and influencing other people, which helps them control the direction of a conversation. They're also assertive and cooperative at the same time, and that helps them outshine introverted managers at conflict handling (White et al., 2003). Thus, the more extroverted a manager is, the higher their self-efficacy beliefs and thus the more accurate is their perception of competitive advantage representation.

Judging-Perceiving

The judging-perceiving dimension of cognitive style refers to the marketing manager's partiality to pro-activeness when making decisions. Managers with judging personality traits are likely to be more proactive, while managers with more perceiving cognitive styles are likely more passive when assessing market situations (Nutt, 1986). Organization, purposefulness, and decisiveness are usually characteristics of managers with a more judging cognitive style. People with judging personality traits look for closure in their business and are "more apt to believe they have adequate information on hand to make an informed judgment "(Jeffries, 1991; White et al., 2003). Because of the belief of sufficient information to make an informed decision that judging managers tend to have, they are more likely to be less risk averse and to have less uncertainty. They are predisposed to recognize a greater capacity to handle a given situation successfully and resolve any arising problems. Consequently, judging managers are more likely to perceive a given situation as controllable (White et al., 2003)and thus the more judging a manager's cognitive style is, the more accurate the competitive advantage representation.

Sensing – Intuiting and Thinking – Feeling

This dimension of cognitive style is concerned with people's acceptance of ambiguity and risk partiality. Mclntyre, Wheatley, and Uhr (1996) describe managers with more intuiting and thinking cognitive styles as more adaptive, creative, enthusiastic about experiences, and ambitious. They are ambiguous and less risk averse (Mclntyre and Mokwa, 1993). Because of their propensity to seek greater risk, these managers have a greater perception of control in an uncertainty situation (Stumpf and Dunbar, 1991) and are sometimes more apt to take on potentially risky projects.

On the other hand, managers with more sensing and feeling cognitive styles favor more steady environments. Cognitive theory suggests that because of the managers' greater desires for stability and relatively lower tolerance for ambiguity, those with more sensing and feeling cognitive styles are likely more concerned about their ability to control the outcomes of an ambiguous situation (Mitroff and Kilmann, 1975; White et al., 2003). Accordingly, managers who have more intuiting and thinking cognitive styles are more likely to perceive a more accurate representation of a competitive advantage. On the other hand, managers with more sensing and feeling cognitive styles tend to a distorted representation of a competitive advantage.

Expertise

Jacoby et al. (1986) proposed three categories of factors that influence decision making. Those categories include: factors relating to the nature of the decision itself; the firm's environment, and factors relating to the decision maker. One characteristic of the decision maker that theory singles out (Bettman, 1979; Jacoby et al., 1986) that should be particularly relevant is experience. Expertise will affect the extent or the depth to which managers process the information on hand (Alba and Hutchinson, 1987). Alba and Hutchinson (1987) add that experts possess schematic knowledge that allows them to infer that new information about typical situations generalizes to other situations in the same category. For example, assume that an expert possesses and a novice lacks a well-developed schema for a specific category. When processing a new environmental change, the expert is able to recognize and identify the aspects of the situation (attributes) according to their importance and typicality. This gives the expert several advantages. During encoding the analytic ability of experts may cause them to process important information more selectively and intensively than other information, resulting in a corresponding pattern of recall. The novice, on the other hand, must learn the attributes *and* associate them with the new situation. Thus, the novice should experience a higher information load (Johnson and Kieras, 1983). Retrieval may be guided by the preexisting schema. A manager who possesses a schema can use its features to access corresponding information contained in the new information .The schema may be viewed as a retrieval cue.

Thus, when faced with a choice decision, people will handle the decision differently, depending on their level of expertise in that context. Novices tend to simplify the decision process and may not take into consideration all levels of the decision process; they will take shortcuts and will eliminate a lot of considerations on the basis of expediency. Experts, on the other hand, go deeper in their analysis analyzing all product information and allocating a higher weight to this information, due to their ability to understand the importance and determinacy of it. Experts tend to be more analytic in there inferences (Alba and Hutchinson, 1987). Also experts are considered to be relation -driven while novices are primarily attribute-driven (Gregan-Paxton and John, 1997), accordingly when expert managers are faced with a certain situation, they are more likely to map this situation on hand to existing schemas of earlier instances and experiences and consequently an evaluation of the situation is arrived at. Novices on the other hand will only take into consideration the attributes on hand to make an evaluation. Thus, the higher the expertise of a marketing manager, the more accurate the competitive advantage representation will be.

Consequences

Business Performance and Benchmarking

Marketing orientation is defined as the firm's ability to learn about its environment and to apply this knowledge while decisions are being made. Marketing research identifies a number of factors as crucial drivers of performance a firm, including: market orientation, planning, implementation, product development along with others (Vorhies and Morgan, 2003). Those firm capabilities will help transform resources into valuable output. Orchestrating and conducting these capabilities is the role of the marketing manager.

Market orientation researchers also identify benchmarking as an important tool that enables firms to set up and organize resources and capabilities in ways that are suitable for their environment (Slater and Narver, 1995). Market-based learning is an important source of sustainable competitive advantage (Vorhies and Morgan, 2003). Benchmarking, the process firms utilize to identify and replicate "best practices" to enhance performance, is a widely adopted market-based learning approach and one of the best total quality management, knowledge management and process improvement instrument (Vorhies and Morgan, 2003). Benchmarking's focus has changed over time from the product or service content, the firm's strategy, and performance outcomes achieved by top-performing firms to the capabilities expected to lead to superior performance.

Business performance can be measured by many criteria. In general, the literature suggests that organizational performance is commonly measured in terms of effectiveness, efficiency, growth and productivity. Montanari, Morgan and Bracker (1990) suggested that organizational effectiveness may be measured in terms of financial measures, operational measures as well as behavioral measures. First, the authors noted that the financial measures such as profitability and growth can be used to access the financial performance of an organization. In this paper we follow Vorhies and Morgan's (2003) conceptualization of performance, which includes three individual perceptual performance measures: customer satisfaction, market effectiveness, and profitability.

CONCLUSION

Marketing research has always acknowledged that the competitive environment may encourage variance in managers' cognition, affecting how they build their mental representations of competition (Daniels et al., 2002). Different perceptions of the competitive environment may encourage modifications in the competitive response selection, influencing competitive responses, and thus the extent to which a firm carries out competitive responses in a given time period (Giaglis and Fouskas, 2011).

This paper examines the influence of external (firm's environment) and internal (managerial traits, firm strategies, and firm culture) on competitive advantage representations. We integrate disparate literature on perception of competitive advantage to present a model (Figure 1) that explains how managers differ in terms of mental models they use while building competitive advantage representations.

One last note worth mentioning is that given the importance of the topic, further empirical research is recommended to understand better the relationships between the different latent constructs in our framework.

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VALUES AND LIFESTYLES IN THE ADOPTION OF NEW TECHNOLOGIES APPLYING VALS SCALE

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ABSTRACT

This study examines the influence of individuals' values and lifestyles on the use of information and communication technologies. In particular, an adaptation of the VALS scale to the Spanish case is carried out and the influence of the identified values in the acceptance of information and communication technologies that are in different stages of their life cycle (mobile telephone system, Internet and e-commerce) is examined. The application of the VALS scale to Spain allows six dimensions to be identified: the search for innovation, tendencies, manual skills, intellectualism, conservatism and leadership. The empirical evidence obtained reveals that the search for innovation, interest in tendencies, intellectualism and leadership have a positive influence on the acceptance of the studied innovations. However, conservatism has a negative influence on the use of these technologies.

INTRODUCTION

The current competitive context is characterized by an acceleration of the innovation adoption and diffusion processes that as a result causes a reduction of the life cycle of products (Bayus, 1994; LaBahn, Ali & Krapfel, 1996). Thus, the launch rate of new products grows exponentially, particularly in the field of information and communication technologies, where new technical standards are constantly emerging. This phenomenon is particularly obvious in the sector of communications, which has undergone a continuous revolution over the last ten years with the introduction of Internet and the spread of the mobile phone system. Likewise, the rate of technological development seems to indicate that this process will continue, even more intensively, for the next decades.

In this context, very diverse approaches have tried to identify the factors that determine the adoption of new information and communication technologies by final consumers. Regarding this subject, it is worth mentioning the research venue focused on the study of demographic characteristics of the most prone group to use this type of innovations (Korgaonkar & Wolin, 1999; Bhatnagar, Misra & Rao, 2000; Kau, Tang & Ghose, 2003). Likewise, in literature about the adoption of new technologies, the study of the influence of psychographic variables, such as the individuals' personality features (Pratt & Chudoba, 2006; Nov & Ye, 2008) or their attitudes and beliefs with regard to diverse information and communication systems, acquires special relevance (Lee, Kozar & Larsen, 2003; Rodríguez del Bosque & Herrero, 2005). However, there are very few studies inside this research venue that have dealt with the effect of consumers' values and lifestyles in the adoption of information and communication technologies (Dutta-Bergman, 2002; Chan & Leung, 2005). Therefore, although the influence of values and lifestyles is included in the main models of consumer behavior (Engel, Kollat & Blackwell, 1986; Kotler & Keller, 2006), there is an outstanding lack of empirical evidence with respect to its impact on the acceptance and diffusion of new technologies.

On the other hand, research on the psychographic factors that determine the use of new technologies hasn't paid enough attention to the behaviour differences derived from their level of novelty or innovation. However, traditional models of innovation diffusion reveal that an early acceptance of a new product by consumers is determined by these characteristics (Bass, 1969; Rogers, 1983, 1995; Mahajan, Muller & Bass, 1990). So, literature about innovation diffusion has identified diverse psychological variables that determine the acceptance or use of a new product or technology such as personal innovativeness (Gatignon & Robertson, 1985; Goldsmith & Hofacker, 1991) or the search for novelty (Hirschman, 1980). Likewise, the literature about consumer behavior has identified different values and lifestyles that are very similar to these ones (e.g. experimentalism or novelty seeking) and that affect consumers' consumption habits (Steenkamp, Hofstede & Wedel, 1999). The moment of adoption of a new product has been linked, therefore, to certain individuals' specific values, which seems to indicate that these values have a particularly relevant influence on the stages of introduction of the technological innovation.

The present study tries to examine the influence of values and lifestyles on the acceptance of communication and information systems taking as a reference the VALS scale, extensively used in the study of consumer behavior (Schiffman & Kanuk, 2005). Thus, an adaptation of this instrument to the specific field of the Spanish market is propounded and contrasted as is the influence of the identified values on the adoption of three information technologies that are found in different stages of their life cycle: the mobile telephone system, Internet and e-commerce. The research carried out shows, therefore, three basic contributions: 1) to identify the values and lifestyles in Spain derived from the adaptation of the VALS scale; 2) to examine the influence of these values on the acceptance of information and communication technologies in consumption markets; and 3) to analyze the existence of significant differences in the influence of the diverse lifestyles on technologies that are in different stages of their life cycle.

CONCEPTUAL FRAMEWORK

The Influence of values and lifestyles on consumer's behaviour

Psychographic variables, such as values and lifestyles, have proved to be of great relevance in consumer behavior research, especially for the segmentation of markets, as they help to identify different types of consumers who form the diverse groups the firm must satisfy (McCarty & Shrum, 1993; Fraj & Martínez, 2004). The study of these variables during the last years has also completed the analysis of consumer behavior from demographic characteristics, which appear to be insufficient for the prediction of individuals' purchasing behavior.

Values and lifestyles refer to individuals' group of beliefs and principles that indicate the importance people give to different elements in their life and environment. Kahle (1996) defines them as the criterion individuals follow to select and justify their actions. As a result, values and lifestyles influence the taking of decisions, personal behavior and attitude toward objects and the other's conducts (Fraj & Martínez, 2006). Schiffman & Kanuk (2005) consider that, in a broad sense, both values and beliefs are mental images that affect a wide range of specific attitudes that, for their part, influence the way a person responds to a given situation.

So, the study of consumers' values and lifestyles is especially relevant, as it makes it possible to find out about their interests and opinions and helps to identify psychographic profiles in order to successfully design diverse polices and marketing strategies for each market segment. Regarding this subject, the specific study of values with respect to a consumer's behavior has linked this variable with diverse purchasing and consumption decisions of different product categories (McCarty & Shrum, 1993). Furthermore, Levy (1963) shows that the whole amount of products and services the consumer uses is a clear reflection of his or her lifestyle, which is why the knowledge of values and their relationship with individuals' consumption targets can contribute to the prediction of their purchasing behavior and use of products (Chan & Leung, 2005). Thus, for instance, academic research has been able to prove the relationship existing between values and lifestyles and choice of goods and services (Bristow & Asquith, 1999; Dilip & Goutam, 2007), the purchasing of products (Vyncke, 2002; Nijmeijer, Worsley & Astill, 2004), the selection of leisure activities (Jackson, 1973; Beatty, Kahle, Homer & Misra, 1985; Yin, 2005), the effects of the use of mass media (Tigert, 1974; Eastman, 1979; Becker & Connor, 1981; Ball-Rokeach, Rokeach & Grube, 1984; Donohew, Palmgreen & Rayburn, 1987; Vyncke, 2002; Tsao & Sibley, 2004), tourism marketing (Shih, 1986; Zins, 1998; Vyncke, 2002; González & Bello, 2002) or certain measures of publicity effectiveness (Sherrell, Hair & Bush, 1984; Lass & Hart, 2004; Ko, Kim, Taylor, Kim & Kang, 2007).

A research line of special relevance for this study links values and lifestyles with the adoption of new technologies by consumers (Fassett, 1995; Rogers, 1995; Yew, 1997; Donthu & García, 1999; Siu & Cheng, 2001). Regarding this subject, Zhu and He (2002) research the relationship between people's values and the use of Internet. Similarly, Dutta-Bergman (2002) uses the segment of Internet users to study the role of values as innovation, leadership, consumerism, involvement in the community or concern for health in individuals' behavior on the Net. Chan and Leung (2005), on their part, examine the relationship between the different values and lifestyles identified for the Chinese market and the adoption of new media –more specifically, the on-line reading of national and international newspapers–. Wang, Yeh and Jiang (2006) identify different lifestyles that determine individuals' concerns and interests when it comes to using the Internet. Finally, Allred, Smith and Swinyard (2006) classify Internet users into two groups, online buyers and non-buyers, according to their demographic and psychographic characteristics and how they use computers.

On the other hand, researchers have presented diverse methodologies to make it operational for values and lifestyles to be studied in environments as diverse as psychology or marketing, among others. Among the different tools available there are three that stand out especially, due to their acceptance level and use in the academic environment: (1) The Rokeach value survey (1973) (RVS), (2) The List of Values by Kahle (1983) (LOV) and (3) The Stanford Research Institute's values and lifestyles scale (SRI, 1980) (VALS). On this subject, diverse studies have shown the usefulness of the latter for the prediction of behavior, since it has enough information of personal nature to anticipate a consumer's performance without the need to resort to additional demographic variables (Novak & MacEvoy, 1990). Recently, the scale has been re-engineered and repositioned as a tool for understanding new product acceptance and innovation (Chan & Leung, 2005).

VALS was initially developed by SRI (1980) and subsequently refined and completed by Mitchell and McNulty (1981) and Mitchell (1983) to explain the values of American society. From a survey carried out in 1980, where a VALS scale made up of 40 items was included, nine lifestyles were identified –survivor, sustainer, belonger, emulator, achiever, «I-Am-Me», experiential, societally conscious and integrated–. However, studies that have applied this methodology to other geographic contexts have shown that some of these groups are not identifiable in other countries, as they do not reflect the local culture, the specific values or beliefs of a society in particular. Thus, for instance, Mitchell (1983) himself applies the methodology to five European countries –France, Italy, Sweden, United Kingdom and Germany– confirming the different population structure of each one of the groups. Thus, some typologies of individuals are not found in these markets –that is the case, for example, of survivors in France or achievers in the United Kingdom–. In Spain, cultural influences can also interfere with the results obtained with the scale (Fraj & Martínez, 2004), which reveals the need to validate VALS in our country, as both the number of its dimensions and the number of items that it comprises can be modified (Grande, 2000). However, there has been little research focused on carrying out this validation to date (Corraliza & Martín, 2000; Martín, Corraliza & Berenguer, 2000; Fraj, Martínez & Grande, 2004; Fraj & Martínez, 2006) and the scale remains without being contrasted and agreed for in the Spanish case.

Subsequently, some key ideas about the life cycle of technological products are shown and the role of values and lifestyles, studied from the VALS scale, in the process of adoption and diffusion of new technologies in the Spanish market is examined.

The Adoption and diffusion of new technologies

Literature about the adoption and diffusion of new products and technologies reveals that not all consumers respond in the same way to an innovation introduced into the market. So, in accordance with the traditional models of adoption and diffusion of new products (Bass, 1969; Rogers, 1983, 1995; Gatignon & Robertson, 1985; Mahajan et al., 1990) there are consumers more prone to accepting innovations, while other ones are more reluctant. Regarding this subject, diverse authors (Midgley & Dowling, 1978; Hirschman, 1980; Venkatraman & Price, 1990; Steenkamp et al., 1999) defend that the acceptance of new products and technologies on the part of the subjects is determined by a general tendency toward innovation.

Steenkamp et al. (1999) explain that this general tendency to accept new products and technologies is influenced by individuals' values. In particular, these authors support that, given the main role that they have in the subjects' cognitive structures, personal values give a powerful theoretical base to understanding behaviors such as the acceptance of new products and technologies (Burgess, 1992; Smith & Schwartz, 1997). As a result, values express the desirable conducts for the individual and they guide the selection and evaluation of consumption behaviors, including also the acceptance of new products.

The relationship between subjects' values and their tendency to innovate is quite clear in both the literature about values and lifestyles and the studies focused on the adoption and diffusion of innovations. As a result, in the traditional models that describe the individual values by means of the VALS scale, factors with a conceptualization very close to innovativeness have been identified, such as experimentalism or the search for novelty (Mitchell, 1983; Novak & McEvoy, 1990; Martín et al., 2000; Chan & Leung, 2005; Fraj & Martínez, 2006) or innovation (Mitchell, 1983; Martín et al., 2000; Chan & Leung, 2005). So, experimentalism is the value that characterizes people who are constantly looking for new challenges, variety and novelty in their lives in order to feel fulfilled; while innovation defines those individuals with great means and a great tendency to accept novel products. On the other hand, literature about the adoption and diffusion of new products and technologies has associated the most innovative consumers with psychological characteristics with a conceptualization very close to certain values. Regarding this subject, it is worth mentioning Rogers' Diffusion Theory (1983, 1995), where five categories of individuals with different degrees of tendency to innovate are identified and to which a series of psychological features are associated.

In particular, Rogers supports that the diffusion of an innovation in the market occurs as a consequence of a communication process, where consumers receive information about the new product or technology through two types of channels: mass media and interpersonal communication (Wright & Chairett, 1995). As a result, the most innovative subjects base their decision to accept novel products on the information they receive from mass media, while the least innovative individuals also need a positive interpersonal communication to reinforce their behavior. Pioneers therefore react as leaders of opinion, and as the number of subjects that have adopted the innovation grows, the level of social influence on non-adopters does also. In particular, the model of innovation diffusion (Rogers, 1983, 1995) identifies five categories of individuals with different degrees of tendency to innovate and to which different psychological features are associated: innovators, early adopters, early majority, late majority and laggards. The characteristics of each of these consumer segments are shown on Table 1.

Table 1: Categories of Adopters of New Products

Category	Description
Innovators (2.5%)	Adventurer; eager to try new ideas; daring if the risk is acceptable; more cosmopolitan social relationships; they communicate with other innovators.
Early adopters (13.5%)	Respectable; more integrated in the social system; they consult other people before adopting a new idea; this category contains the highest number of leaders of opinion; they are role models.
Early majority (34%)	Deliberated; they adopt new ideas just before the average time; they hardly ever have leadership positions; they deliberate for some time before adopting.
Late majority (34%)	Skeptical; they adopt new ideas just after the average time; adoption can be both an economic need and a reaction to the pressure from their kind.
Laggards (16%)	Traditional; the last ones to adopt an innovation; more «local» in their points of view; directed to the past; they are suspicious about new things.

Source: Adapted from Schiffman & Kanuk (2005).

In accordance with Rogers' Theory (1983, 1995), adopter's typology, and therefore the tendency to accept a new product or technology, is associated with personality features with a conceptualization very close to certain values such as the search for novelty, conservatism, cosmopolitism / localism or opinion leadership, among others.

This theoretical approach is consistent with the traditional model of the product life cycle (Wasson, 1978; Rink & Swan, 1979; Day, 1981), broadly accepted in marketing literature to delimit the stages of innovation acceptance (Lamb, Hair & McDaniel, 2005). In accordance with this market model, competition and consumption behaviors vary as the use of an innovation spreads. Thus, in the stage of introduction of a product, this is only accepted by innovators, while the early adopters and the early majority join during the growing stage. Finally, consumers that constitute the late majority and the laggards will accept the product during maturity and decline stages. In the case of the sector of communications in Spain and the European Union, and given the percentage of users that have adopted the different technologies, it is observed that the mobile telephone system, Internet and e-commerce are in different stages of their life cycle (Table 2).

Table 2: Penetration of Information and Communication Technologies in Spain and the European Union		
	% users in the population	
	Spain	European Union
Mobile telephone system	90,9	-
Internet	39,0	47,0
E-commerce	10,0	21,0
Source: Red.es (2007) and INE (2007).		

In line with this literature review, the present study tries to examine the influence of individuals' values and lifestyles on the acceptance of new communication technologies. So, taking the VALS scale as a reference, we intend to identify Spanish consumers' values and to examine how these affect the adoption of the mobile telephone system, Internet and e-commerce that as seen, are in different stages of their life cycle. In accordance with this, the following research questions (RQ) are presented:

RQ1: From the VALS scale, what lifestyles can be identified in Spain?
RQ2: How do individuals' different lifestyles influence the adoption of new technologies, specifically, the use of the mobile telephone, access to Internet and the purchasing of products through the Net?
RQ3: Are there significant differences with regard to the influence of values and lifestyles on the acceptance of new communication technologies that are in different stages of their life cycle: the mobile telephone system, Internet and e-commerce?

METHOD

Participants

The sample for the empirical research has been obtained from the Socioeconomic Study of Conditions and Lifestyles in the Region of Cantabria (Spain), carried out by the University of Cantabria for the Statistics Institute of Cantabria (ICANE) of the Cantabrian Government. Data is collected by means of a personal survey to individuals over 16 years of age in 1,800 homes in the region. In order to select a representative sample of the population object of study, a multi-stage sampling procedure with two phases is designed. In the first stage a conglomerate sampling is used, dividing the territory of Cantabria into eight geographic areas according to the number of inhabitants in each. Subsequently, the census sections are taken as a sampling unit inside every area and diverse sections are randomly extracted to take part in the quantitative research. In the second phase a sampling by quotas is carried out in accordance with the distribution of the population target of study in characteristics «gender» and «age», keeping within the sample the proportions observed for the whole population. For the selection of individuals to be polled, a random routes procedure has been used, as it respects the equiprobability principle and helps to obtain a representative sample. In the fieldwork, 1,784 valid surveys were obtained that mean a sample error of ±2.32% for a confidence level of 95% and the most unfavorable case (p=q=0.5). Data are processed with SPSS 15.0 statistics program.

Table 3 shows the information related to the most important socio-demographic variables and to the sample individuals' use of different technologies.

Table 3: Socio- Demographic Profile of the Sample and Technology Use Data					
Variable	**%**	**Variable**	**%**	**Variable**	**%**
Gender		***Age***		***Occupation***	
Male	50.1	16 to 24 years	14.8	Employee	39.1
Female	49.9	25 to 34 years	14.1	Self-employed	8.8
Education level		35 to 44 years	16.1	Student	13.4
Primary or lower	48.6	45 to 54 years	11.5	Unemployed	3.3
Secondary	29.5	55 to 64 years	21.5	Retired / pensioner	22.2
College	21.9	65 and over	22	Housewife	13.2
Mobile telephone system		***Internet***		***E-commerce***	
Yes	76.1	Yes	49.7	Yes	12.7
No	23.9	No	50.3	No	87.3

Measurement scales

In order to measure the values and lifestyles, a scale adapted from the original VALS developed by Mitchell and McNulty (1981) and Mitchell (1983) is used. VALS is normally used to explain the relationship between certain personal features and the consumer's behavior, which is why it employs questions of psychological nature that try to analyze the dynamics underlying the consumer's process of preference and selection (SRI, 2003). To adapt the scale, the translation of the 40 items of the American version was carried out firstly from diverse studies that had previously applied the tool to the Spanish case (Martín et al., 2000; Fraj & Martínez, 2004). The translation of some items had to be modified for their correct comprehension and others had to be omitted as they could not be applied or they could not really reflect the Spanish culture, values and beliefs. The scale that is finally used is formed by 30 items (see Appendix I, table 6), in which the people polled show their degree of agreement with the statement proposed in a 10-point Likert scale where 1 means «totally disagree» and 10 «totally agree».

On the other hand, in order to measure the degree of diffusion of the different technologies one-dimensional questions have been developed, in which the people polled must just answer «yes» or «no» –dichotomic answer–. So, for the case of the mobile telephone system the question is: «Do you have a mobile telephone? »; for Internet «Are you an Internet user? »; and finally, for e-commerce «Have you bought anything on the Internet in the last three months?

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RESULTS

Identification of values in the Spanish society

Following the methodology proposed by authors such as Chan and Leung (2005) or Fraj and Martínez (2006), an exploratory factor analysis of the VALS scale is carried out firstly to determine the values and lifestyles of the sample. A total of six dimensions, which explain a 68.78% of the total variance, have been identified. Kaiser-Meyer-Olkin index (0.911) and Bartlett's sphericity test (p-value=0.000) support the suitability of the analysis carried out. Moreover, the factor loadings of the variables to each factor are higher than 0.4 in every case.

First factor –search for novelty– refers to values related to experimentalism, which describe those people that enjoy trying new things, facing stimulating challenges and mixing with varied and extravagant people and things. Second factor –tendencies– includes people interested in following the latest tendencies and dressing fashionably. Third factor –manual skills– refers to the values related to the liking for handiworks, such as handicrafts or do-it-yourself, in which individuals work with their own hands and they are interested in the operating of the mechanical appliances they use. A fourth factor –intellectualism– describes the values and lifestyles of those people interested in science, art, culture and history, and who have intellectual preoccupations that help them to learn new things. Fifth factor –conservatism– includes society's most traditional values, such as interest in religion, the consideration of women being responsible for the home or the censure of sexual contents in mass media. Finally, the sixth factor –leadership– represents the subjects who like to be responsible for a group of people, that enjoy leading other individuals and that try to stand out and be the center of attention.

Subsequently, a confirmatory factor analysis is carried out to guarantee the factor validity. Goodness of fit indices show appropriate values and the analyses of reliability, convergent validity and discriminant validity also produce acceptable results. Thus, the reliability of the factors is confirmed as all indicators present values higher than 0.7 for the Cronbach's alpha (Cronbach, 1951) and close to or higher than 0.5 for the AVE coefficient (Hair, Anderson, Tatham & Black, 1998). All standardized lambda coefficients but one are significant and higher than 0.5 (Steemkamp & Van Trijp, 1991), which confirms the convergent validity of the model. Finally, to test the discriminant validity, confidence intervals are estimated for the correlation between pairs of dimensions and they are compared with the unit, proving that in none of the cases intervals contain value 1. As a result, in accordance with the procedure described by Anderson and Gerbing (1988), it can be stated that the measurement model proposed is correct. Results are shown in table 4.

Table 4: Confirmatory Factor Analysis of the Dimensions Observed from the VALS Scale						
Latent variable	**Measured**	**Standardized lambda**	**R^2**	**α Cronbach**	**AVE**	**Goodness of fit indices**
Search for novelty	SN1	0.55	0.30	0.935	0.594	% variance explained = 68.78 S-Bχ^2 = 3861.20 (p=0.0000) BBNFI = 0.910 BBNNFI = 0.913 CFI = 0.922 RMSEA = 0.059
	SN2	0.67	0.46			
	SN3	0.72	0.52			
	SN4	0.64	0.40			
	SN5	0.83	0.69			
	SN6	0.86	0.74			
	SN7	0.87	0.75			
	SN8	0.89	0.80			
	SN9	0.85	0.72			
	SN10	0.75	0.57			
Tendendies	T1	0.93	0.86	0.958	0.851	
	T2	0.90	0.81			
	T3	0.94	0.89			
	T4	0.92	0.84			
Manual skills	MS1	0.91	0.82	0.852	0.595	
	MS2	0.82	0.67			
	MS3	0.60	0.36			
	MS4	0.72	0.51			
Intellectualism	I1	0.69	0.47	0.840	0.513	
	I2	0.73	0.54			
	I3	0.81	0.65			
	I4	0.70	0.49			
	I5	0.64	0.42			
Conservatism	C1	0.83	0.76	0.770	0.475	
	C2	0.87	0.76			
	C3	0.50	0.25			
	C4	0.45	0.20			
Leadership	L1	0.75	0.56	0.837	0.635	
	L2	0.93	0.86			
	L3	0.69	0.47			

In general, identified factors are similar to those previously found for the Spanish case (Martín et al., 2000; Fraj & Martínez, 2004, 2006; Fraj et al., 2004) and, to a certain extent, they are consistent with those described initially by SRI for the US market. As a result, it is verified that the value system of Spanish society seems to be similar to that of the American society, proving the similarity of the values and lifestyles in Western countries –despite the fact that 10 items had to be removed from the original scale and some of the groups (survivors, sustainers) were not identified for the Spanish case–.

Effect of values and lifestyles on the adoption of technology

In order to analyze the predictive capacity of values and lifestyles on the adoption of the proposed technological innovations, a logistic regression analysis for each one of them is carried out. This statistical technique offers the possibility to evaluate the influence of each one of the independent variables –values and lifestyles– on the dependent or respond variable –adoption of the mobile telephone system, Internet and e-commerce– and to control the effect of the rest (Agresti, 2002; Greene, 2003). The logistic regression model is represented like this:

$$\text{Logist}(\pi_i) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \ldots + \beta_i X_j$$

where;

π_i is the probability to observe the category or event to predict
β_0 is a constant
β_1 , β_2 … β_i are the corresponding logistic coefficients to each predictor variable
X_1, X_2 … X_j are predictor variables

The estimation procedure of the logistic coefficient compares the probability of occurrence of an event with the probability that it does not occur. β coefficients are the measurements of the changes in the probability ratio named «odds ratio». However, being expressed in logarithms makes their interpretation difficult and that is the reason why the exponentials of coefficients –exp(β)– are used to analyze the results. In general, a positive coefficient increases the probability of occurrence and a negative coefficient reduces it. In the case of exponentials, an exp(β) higher than 1 increases the probability to observe the category to predict, while a coefficient lower than this value reduces it. Goodness of fit of the model is measured by means of Hosmer-Lemeshow statistic (1989) – H_0: there are no differences between frequencies of the observed cases and frequencies of the predicted cases; null hypothesis is rejected if p-value<0.05 for a signification level of 95%–, Cox & Snell's R^2_L coefficient and Nagelkerke's R^2_L coefficient– in both cases, the closer to 1 the statistic value is, the better the model will adjust–.

The results of this analysis for each one of the technologies are shown jointly in table 5.

Table 5: Effect of Values and Lifestyles on the Adoption of New Technologies

	Mobile telephone system			Internet			E-commerce		
	β	**Sig.**	**Exp (β)**	**β**	**Sig.**	**Exp (β)**	**β**	**Sig.**	**Exp (β)**
Search for novelty	1.042	.000	2.834	.990	.000	2.691	.725	.000	2.064
Tendencies	.728	.000	2.071	.385	.000	1.470	.160	.025	1.174
Intellectualism	.510	.000	1.665	.648	.000	1.912	.563	.000	1.755
Manual skills	.104	.125	1.110	-.062	.285	0.940	-.137	.070	.872
Conservatism	-.945	.000	0.389	-.936	.000	0.392	-.573	.000	.564
Leadership	.106	.139	1.112	.220	.000	1.247	.279	.000	1.321

Table 5: Effect of Values and Lifestyles on the Adoption of New Technologies									
	Mobile telephone system			Internet			E-commerce		
	β	Sig.	Exp (β)	β	Sig.	Exp (β)	β	Sig.	Exp (β)
Constant	1.705	.000	5.503	-.055	.335	0.946	-2.346	.000	.096
Hosmer and Lemeshow	0.348			0.000			0.096		
Cox and Snell R^2_L	0.271			0.302			0.103		
Nagelkerke R^2_L	0.406			0.403			0.192		

For the case of the mobile telephone system it is observed that the model shows appropriate goodness of fit indexes –non-significant Hosmer-Lemeshow coefficient and Cox and Snell's R^2_L and Nagelkerke's R^2_L higher than the recommended 0.2– so values and lifestyles are good predictors of a mobile telephone possession on the part of individuals. On the other hand, significance of β indicates which values really influence the adoption of the type of technology, while exp(β) indicates how much it affects and which sign has this relationship. Thus, results show that there are two values –manual skills and leadership– that do not influence the use of mobile telephone. On the other hand, conservatism negatively influences the adoption of this type of technology (exp(β) = 0.389), while the rest of values and lifestyles do it positively. The value that most affects the use of mobile telephone is experimentalism or search for novelty (exp(β) = 2,834). Other important values are the liking for tendencies and fashion (exp(β) = 2,071) or the subject's intellectualism (exp(β) = 1,665).

On its part, the logistic regression model for the use of Internet shows a significant Hosmer- Lemeshow coefficient (p-value=0.000) that would indicate a wrong adjustment. However this statistic is very sensitive to the sample size and statistic significance can be found in small differences as the size of the sample increases (Agresti, 2002; Greene, 2003), being necessary to complete this analysis with other tests. So, Cox and Snell's R^2_L and Nagelkerke's R^2_L values confirm the goodness of fit in the model –0.302 and 0.403, respectively–. Therefore again, values are good predictors of Internet adoption by individuals. Once again it is observed how manual skills are not significant when it comes to determine the use of this tool while conservatism reduces the possibility that the subject may use Internet. The rest of the values affect positively its use and again the search for novelty is the feature that determines the adoption of Internet to a larger extent (exp(β) = 2,691), followed by intellectualism (exp(β) = 1,912) and tendencies (exp(β) = 1,470).

Finally, the logistic regression model for e-commerce does not present a good fit (Cox & Snell's $R^2_L = 0.103$ and Nagelkerke's $R^2_L = 0.192$), which indicates that, together with values and lifestyles, there are other series of factors that affect the adoption of this type of technology and that have not been taken into account in the model. As a result, Internet shopping is presented as a complex process, on which diverse aspects influence further than the individuals' lifestyles, in comparison to the use of a mobile telephone or Internet where the subject's values can be considered appropriate predictors of their behavior.

In order to answer the third research question, exp(β) estimates are compared for each one of the values in the three proposed technologies. So, search for novelty is the value that most affects the adoption of new technologies by subjects, its predictive capacity differing from a type of technology to another. Hence, this value affects similarly the adoption of the mobile telephone system (2,834) and Internet (2,691), while its weight is significantly lower for e-commerce (2,064). Special attention should be given to the substantial differences with respect to the influence of tendencies on the three categories. Thus, this value affects the use of mobile telephone significantly (2,071), the use of Internet to a lesser extent (1,470) and shopping on-line even less (1,174). There are no other notable differences to be seen in the rest of the factors.

In short, this research has shown the capacity and validity of values and lifestyles as predictors of the adoption of new communication technologies such as the mobile telephone system or Internet. However, for the particular case of e-commerce, these aspects prove to be insufficient to predict individuals' behavior, since there could be many other factors that determine the use of the Net as a shopping mechanism. With regard to the weight of each particular value on the adoption of different innovations, it has been proved how experimentalism or search for novelty, on the one hand, and liking for tendencies and fashion, on the other hand, are two of the aspects that determine to a larger extent the use of different technologies. On the contrary, conservative nature and traditional values reduce the interest for technological advance that these tools mean. Finally, with regard to the differences in weight among the different factors in the individual's behavior, the irregular weight of tendencies especially stands out as does the search for novelty in the case of e-commerce.

DISCUSSION

Conclusions

The present study examines the influence of individuals' values and lifestyles on the use of information and communication technologies. In particular, the developed research presents three basic contributions: 1) values and lifestyles in Spain, derived from the adaptation of VALS scale, are identified; 2) the influence of these values on the acceptance of information and communication technologies in consumption markets is examined; and 3) the impact of values and lifestyles on the use of technologies that are in different stages of their life cycle is analyzed.

With regard to values and lifestyles in Spain, the translation and adaptation of the VALS scale to the national context allows six dimensions to be identified: the search for novelty, tendencies, manual skills, intellectualism, conservatism and leadership. Regarding this subject, «search for novelty» is linked to experimentalism and to the favorable tendency toward stimulating challenges and varied and extravagant people and things. The «tendencies» value shows the interest in being in fashion and up-to-date in consumption habits. «Manual skills» refer to the liking of handiworks, such as handicrafts or do-it-yourself, and the interest in mechanical appliances. With reference to «intellectualism», it reflects the leaning toward science, art, culture, history and intellectual preoccupations in general. As regards «conservatism», it is linked to religious beliefs, supporting the women's traditional role or censure of sexual contents. Finally, «leadership» represents the search of responsibilities and outstanding positions inside social groups.

The developed research helps to verify that the identified values and lifestyles significantly influence the use of examined information and communication technologies, although notable differences among the mobile telephone system, Internet and e-commerce are seen. Regarding this subject, it is worth mentioning firstly that it is verified that these values explain the acceptance of the mobile telephone system and the use of Internet correctly, but they are not relevant predictors of an online purchase. Therefore, the adjustment of the proposed model for the acceptance of e-commerce is inappropriate, which indicates that this behavior is not explained enough by values and lifestyles, it being necessary to consider other variables. This fact can be justified by the degree of innovation and the technical and safety barriers traditionally associated with online transactions. As a result, given the major novelty of these types of conduct, the difficulty of the purchasing procedures, and the risk perceived in them, acceptance of e-commerce will be influenced by variables directly linked to the purchasing act, such as the usefulness, the ease of use, or the safety perceived in the channel. Nevertheless, it is necessary to point out that the empirical evidence obtained in the research supports the significant effect of some values, such as the search for novelty or intellectualism, on the execution of shopping on the Net.

With regard to the mobile telephone system and Internet, it is seen that the values and lifestyles that have a positive impact on their use are the search for novelty, the interest for tendencies and intellectualism, while leadership determines positively the use of Internet but not the use of the mobile telephone system. In contrast, conservatism has a negative influence on the use of these technologies. These results are consistent with the models of innovation diffusion, which attribute to the pioneer users of a new product and technology psychological features such as innovativeness, the search for novelty or cosmopolitanism (Rogers, 1983, 1985), while they associate a traditionalist character to the last adopters.

Finally, with regard to the effect of the innovation life cycle, it is observed that certain values have a more significant influence on the acceptance of more innovative technologies with a smaller diffusion on the market. In particular, the empirical evidence obtained indicates that the use of newer systems, such as e-commerce or Internet is more intensively linked to values such as leadership or intellectualism. On the contrary, aspects such as the search for novelty or the following of tendencies affect the use of the mobile telephone system, a technology with a higher penetration on the analyzed market, more significantly.

Limitations and future research venues

Despite the systematic methodology followed in its development, the research carried out is not free of limitations. Regarding this subject, it is worth mentioning the geographic area of study, which is limited to just one region of the Spanish territory, which presents doubts with respect to the generalization of the obtained results. However, the sample procedure used and the similarity of consumption habits of technological services in Spain (Red.es, 2007) mean that an adequate representativeness of the sample was obtained in the research. Nevertheless, it would be advisable to extend the study carried out to the whole Spanish territory in order to confirm the validity of the observed results.

On the other hand, one research limitation could be the definition of the dependent variables used to measure the use behavior of the different examined technologies. In this sense, dichotomic variables are used, which indicate if the examined services are used or not, but they do not make it possible to evaluate their use intensity (frequency and expense). In order to overcome this limitation, it would be interesting to replicate the study carried out with measurements of the dependent variables which include a higher variability of the use behavior of technologies.

Finally, another future research venue could be the study of other measurement scales of the subjects' values and lifestyles, with the aim of verifying if these tools make it possible to identify dimensions that offer a more appropriate explanation of information and communication technology acceptance. Likewise, it would also be interesting to examine the influence of values and lifestyles on the adoption of other product categories in different stages of their life cycle. Thus, some values such as tendencies or leadership could also result relevant in the purchasing of goods and services with a high aesthetic component, while conservatism could be a particularly significant barrier for the adoption of radical innovations. Finally, the interaction between values and lifestyles and other psychographic variables of individuals, such as personality or attitudes, could be examined.

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APPENDIX - MEASUREMENT SCALES

Table 6: Values and lifestyles measurement scale

FACTOR	ITEM	
Search for novelty	SN1	I like extravagant people and things
	SN2	I like a lot of variety in my life
	SN3	I like to try new things
	SN4	I would like to spend a year or more abroad
	SN5	I like the challenge of doing something I have never done before
	SN6	I like to do unique or different things
	SN7	I often wish to carry out stimulating activities
	SN8	I like to have an exciting life
	SN9	I am always looking for exciting things
	SN10	In my life, I would like to do different things from one week to another
Tendencies	T1	I usually follow the last fashions and tendencies
	T2	I am more fashionably dressed than most people
	T3	I like to dress up-to-the-minute
	T4	I think everybody else considers me a fashionable person
Manual skills	MS1	I like handicrafts and do-it-yourself
	MS2	I like to do things with my own hands
	MS3	I am very interested in how mechanical appliances work
	MS4	I like to look in hardware stores and do-it-yourself shops
Intellectualism	I1	In general I am interested in everything related to science
	I2	I like to learn things about art, culture and history.
	I3	I consider myself a person with a lot of intellectual preoccupations
	I4	I like to learn about things even when they do not have any practical usefulness
	I5	I would like to understand better how the universe works
Conservatism	C1	I consider that there is an explanation for everything in religion
	C2	The Government should promote the study of religion in state schools
	C3	A woman's life is only complete if she is able to provide a happy home for her family
	C4	There is too much sex on television nowadays
Leadership	L1	I like to be responsible for a group of people
	L2	I like to lead others
	L3	I must admit that I like to be the center of attention

STRATEGIC BRAND ORIENTATION AND ITS ANTECEDENTS

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ABSTRACT

A brand orientation is a strategic platform whereby the processes of an organization revolve around the creation, development and protection of brand identity with the aim of achieving long term competitive advantages (Urde, 1999). Despite the potentially critical role of a brand orientation in terms of business performance, research in this area is still relatively new, leaving significant unanswered questions. First, it is not clear where a brand orientation fits in terms of marketing philosophy. Second, research regarding the antecedents of a brand orientation has tended to focus on one or two outcomes rather than developing a more comprehensive model. Based on a review of the literature, this paper (1) conceptualizes how a brand orientation fits within contemporary marketing strategy and (2) identifies a series of potential antecedents. Managerial and research implications are discussed.

This paper makes two unique contributions to the existing literature. First, it presents a graphic conceptualization of where a brand orientation fits within contemporary marketing strategy. Second, based on extensive consideration of the literature, eight potential antecedents of a brand orientation are identified. These include the size of the company, brand barriers, services component, exploration of brand identity, brand research, years of planning and investment, expansion growth intention and brand management assessment.

INTRODUCTION

The concept of a brand orientation was introduced in the early 1990s. Briefly, a brand orientation is a strategic platform whereby a company deliberately and actively strives to manage the processes that give its brand value and meaning (Urde, 1999, p.122). The rationale behind focusing on a brand orientation is based on the expected outcomes; more specifically, a high level of brand orientation produces stronger brands with higher brand equity (Urde, 1994; Hankinson, 2001; Reid et al. 2005; Wong & Merrilees, 2005) and improved financial performance (Gromark & Melin, 2011; Wong & Merrilees, 2007). Gromark and Melin (2011) not only provide empirical evidence of a significant positive relationship between a brand orientation and profitability, but further report that the most brand-oriented companies in their study had almost <u>double</u> the profitability of the least brand-oriented companies. Wong and Merrilees (2007) explore the moderating role of a brand orientation, finding that a brand orientation serves to enhance the effect of a company's marketing strategy on brand performance.

Despite the potentially critical role of a brand orientation in terms of business performance, "brand management is a relatively young field of study, and one in which real interest was shown only during the final decade of the previous century" (Krake, 2005, p.228). Much work remains in order for marketers to gain a reasonably complete understanding of the role of a brand orientation as a strategic platform. Although several researchers have investigated the consequences of a brand orientation, research into the construct's antecedents needs to be further developed. Gromark and Melin (2011) suggest the importance of studying the antecedents of a brand orientation in order to gain insight as to why companies choose to focus on brand orientation in their organization. Similarly, Hankinson (2001) calls for consideration of antecedents which may augment or diminish levels of brand orientation. The purpose of this paper is to identify potential antecedents of a brand orientation and to set forth a conceptual model depicting research propositions.

This paper is presented in four parts. The first two sections define a brand orientation and describe its role in the organization. Then based on a review of the existing literature, potential antecedents of a brand orientation are identified. A conceptual model and research propositions for each of the proposed antecedents of a brand orientation are presented. Finally, managerial and research implications are discussed.

WHAT IS A BRAND ORIENTATION?

The term 'brand orientation' was first coined in the early 1990s (Gromark & Melin, 2011). Urde (1999, p.117) provides the classic definition of a brand orientation as an approach in which the processes of an organization revolve around the creation, development and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands. Grant (1995) explains that the basis of a firm's competitive advantage lies in its unique, valuable, and hard-to-imitate resources and competencies. What constitutes true competitive advantage depends upon the competitors and the customers in the market; these are the points of reference for what is unique and valuable (Urde, 1999, p.118).

Gromark and Melin (2011, p.395) expand upon Urde's (1999) definition of a brand orientation:

> *Brand orientation is a deliberate approach to brand building where brand equity is created through interaction between internal and external stakeholders. This approach is characterised by brands being the hub around which the organisation's processes revolve, an approach in which brand management is perceived as a core competence and where brand building is intimately associated with business development and financial performance.*

In this revised definition, Gromark and Melin (2011) attempt to further emphasize (1) that brand orientation requires a deliberate approach to brand building, as opposed to the ad hoc approach to branding common to many firms (Gromark & Melin, 2005; Baumgarth, 2009) and (2) the importance of making the brand the basis of the organization's processes.

Accordingly, a firm is not considered brand oriented simply by virtue of the fact that is has branded products, perhaps with creative logos and slogans attached. The decisive difference is whether the brand identity represents a strategic platform for the firm or not (Urde, 1999, p.119).

A company that is brand oriented is distinguished by the high relevance accorded to branding by top management and characterized by an offer that is relatively constant, consistent, relevant to the buyer, and clearly differentiated from other companies (Baumgarth, 2010). Indeed, Wong and Merrilees (2007) found that the best indicators of a brand orientation were those that indicated a particularly high regard for branding: 'branding is essential in running this company,' 'branding is essential to our strategy' and 'branding is an important asset for us.'

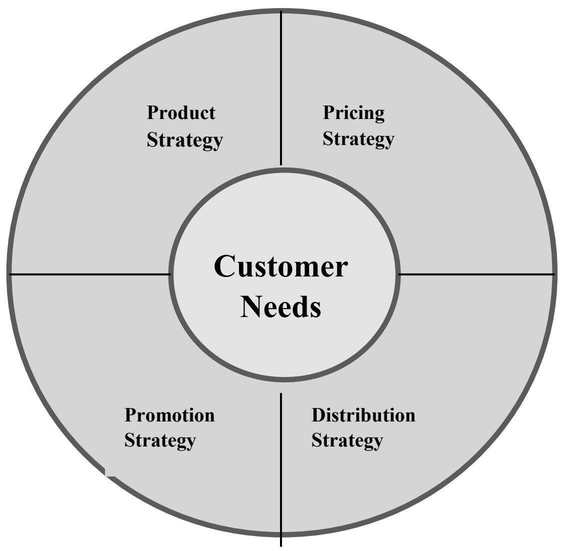
WHERE DOES A BRAND ORIENTATION FIT WITHIN CONTEMPORARY MARKETING STRATEGY?

Over the years, at least three competing philosophies have influenced marketing strategies. In the years leading up to the mid-1950s, marketing focused internally on production efficiency (e.g. a product orientation) and aggressive selling (e.g., a sales orientation). Somewhere around the mid 1950's, the focus shifted externally to customer needs (e.g. the marketing concept). The marketing concept, identified by (McCarthy & Perreault, 1984) as the philosophical foundation of a market orientation, consists of three components: customer focus, integration, and long term profitability. The marketing concept is said to serve as a cornerstone of marketing thought (see Borch, 1957; McKitterick, 1957).

The 1990s saw renewed interest in the concept of market orientation (the implementation of the marketing concept). Based on a thorough literature review, Harrison-Walker (2001) conceptualized a market orientation as a dual, four-stage process involving information acquisition (Kohli & Jaworski, 1990), information sharing (Kohli & Jaworski, 1990), shared interpretation of information (Day, 1993; Sinkula, 1994), and the utilization of information in developing and implementing marketing strategies (Kohli & Jaworski, 1990). The type of information which is gathered, shared, interpreted and utilized is information about customers and competitors (Narver & Slater, 1990). In other words, the information gathered about customers and competitors is ultimately utilized by the market oriented organization to develop and implement marketing strategies that will meet the needs of customers - and do so more effectively than competitors.

In an attempt to depict the market oriented approach to marketing strategy, customer needs may be thought of as the core around which the marketing mix is designed (see Figure 1). It is through a thorough and organization-wide understanding of customer needs that a company can develop effective product, pricing, promotion and distribution strategies leading to improved long term performance. Harrison-Walker (2001) empirically demonstrated that customer orientation has a significant and positive impact on balanced scorecard measures of business performance.

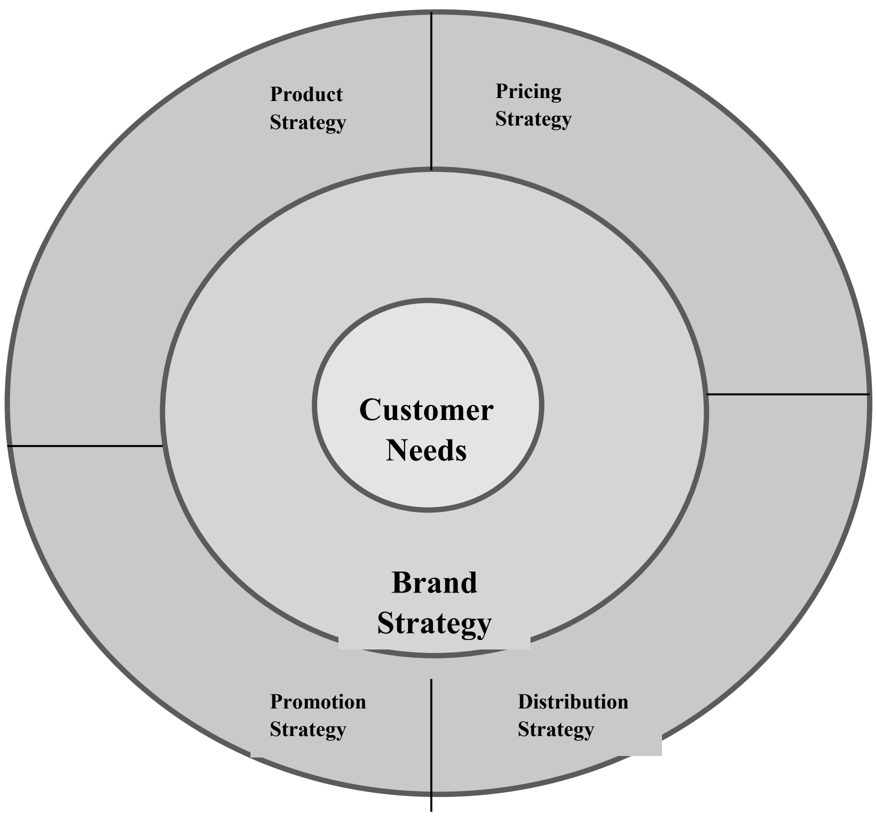
Figure 1: Customer Needs and Marketing Strategy



In Figure 1, branding is included as one of the many product strategy decisions, along with decisions such as product design, packaging, product warranties, etc. In non-brand oriented firms, the brand is simply as one of many resources within the firm and there is no discussion about the importance of basing the firm's approach on the brand as a specific resource (c.f. Collins & Montgomery, 1995; Peteraf, 1993; Prahalad & Hamel, 1990). Even within product strategy, it is more likely the product and its functional advantages receive far greater attention than the brand (Urde, 1999, p.119). The problem is that functional advantages can generally be imitated (Urde, 1999, p.119).

The question then becomes whether a market oriented firm can also be brand oriented and, if so, where brand orientation comes into the picture. Certainly, an organization cannot focus on a brand without meeting customer needs. Customer needs must remain at the core. This does not mean that the customer is king; it means that it is imperative for the company to have a thorough understanding of customer needs in order to design an effective marketing strategy. So in our revised figure, customer needs remain at the core. For a proper adaptation of our model in Figure 1, we are provided direction by Wong and Merrilees (2007, p.388) who explain that "If each element of a marketing mix aligns to the brand, then consequently they will be aligned to each other and produce a more consistent and robust performance." In order for the brand to function as the basis of the organization's responses (Gromark & Melin, 2005), we need to add a second concentric circle around the core (see Figure 2). The second concentric circle is the brand strategy. This makes absolute sense from a marketing strategy perspective when one considers that critical branding decisions, such as positioning, are depended upon in designing the marketing mix. That is, strategic positioning involves designing the product and the marketing mix to fit a unique position in the consumer's mind. Therefore, once consumer information is collected and processed, the positioning strategy is formulated and the marketing mix is developed to communicate the brand's unique position.

Figure 2: Customer Needs, Brand Orientation, and Marketing Strategy



In support of this conceptualization, indicating that not only are a market orientation and a brand orientation not mutually exclusive, but that a brand orientation positively impacts the effectiveness of the marketing strategy (Wong & Merrilees, 2008), Urde (1999, p.18) provides the following quote from Olle Tegstam, Senior Vice President at Nestle:

An organization can never only be brand-oriented. There have to be products that are demanded and that work together with your brand. To be brand-oriented is market orientation "plus".

FACTORS AFFECTING A BRAND ORIENTATION

Nowadays most companies understand that brand orientation is crucial to developing strong brands and are convinced that strong brands can provide sustainable competitive advantages (Gromark & Melin, 2011). In fact, "brands have become the focal point of many a company's marketing efforts and are seen as a source of market power, competitive leverage and higher returns" (Dawar, 2004, p.31). But what factors affect a company's brand orientation?

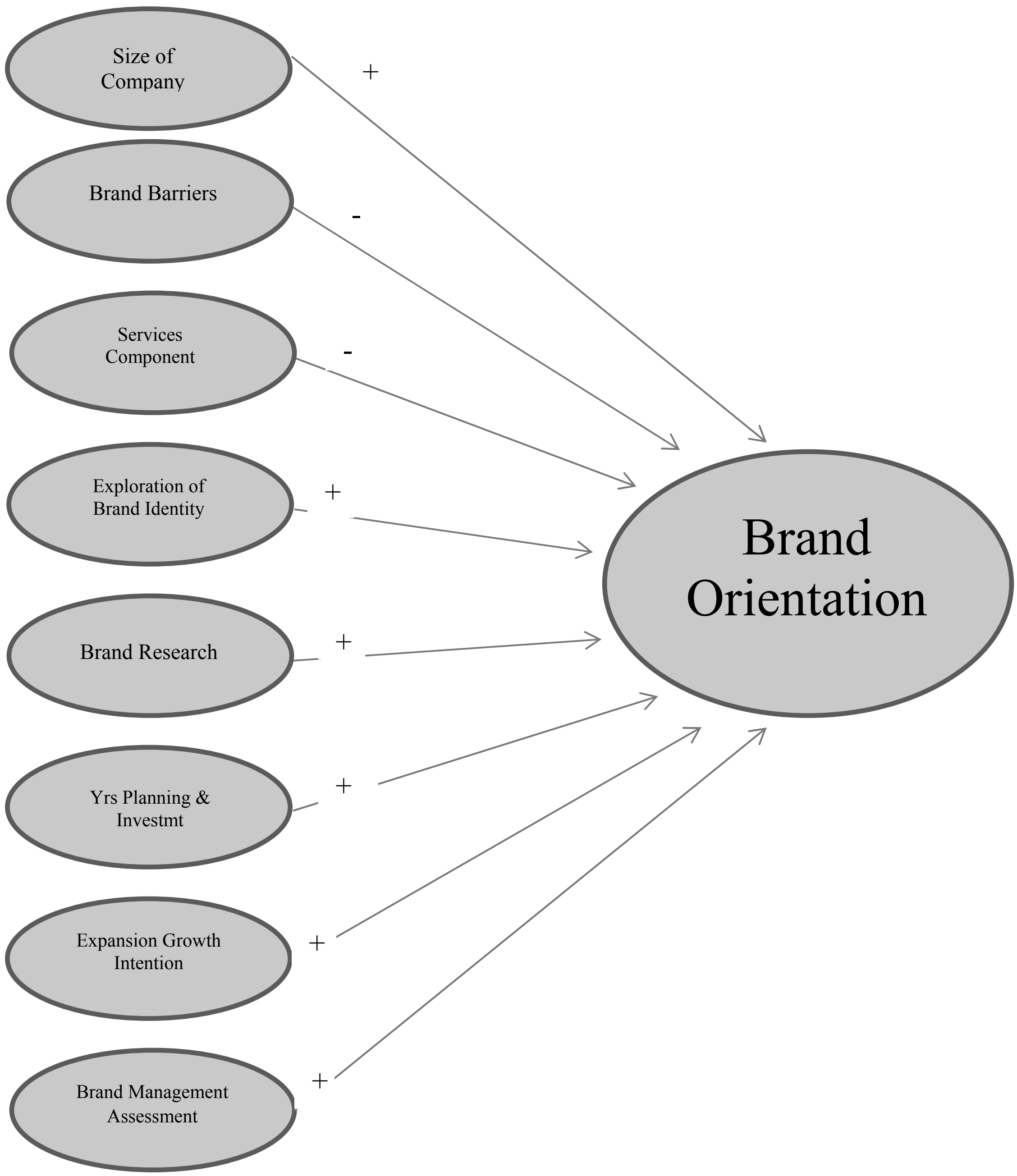
By reviewing the existing marketing and business literature it is possible to identify a number of potential antecedents to a brand orientation. In this study, eight factors are identified as factors potentially influencing a brand orientation. The conceptual model showing the potential antecedents of a brand orientation is presented in Figure 3. Potential antecedents include: the size of the company, brand barriers, services component, exploration of brand identity, brand research, years of planning and investment, expansion growth intention, and brand management assessment. In the following sections, we introduce each of the potential antecedents and set forth a research proposition with regard to its expected effect on a brand orientation.

Size of Company

The first factor identified as a potential antecedent of a brand orientation is the size of the company. Several researchers (Baumgarth, 2010, Krake, 2005, Wong & Merrilees, 2005) report that smaller companies are less likely to be brand oriented than larger companies. For example, in a study of business-to-business companies, Baumgarth (2010) divided sample companies into "successful" and "unsuccessful" groups on the basis of a market performance index, and found that while all companies in the sample reported low levels of brand orientation, smaller companies exhibited lower levels of brand orientation than larger ones. In this study, the size of the company was measured both in terms of turnover and number of employees (Baumgarth, 2010).

Wong and Merrilees (2005) provide an explanation as to why smaller companies tend to be less brand oriented than larger ones; that is, smaller companies have a lower level of brand orientation than larger ones because they perceive that they have neither the time nor the resources to conduct branding activities. The authors (Wong & Merrilees, 2005, p.156) note that numerous studies "have identified many SMEs failing to fully invest in most business assets, including advertising, information technology and training, and to perceive such investments as costs instead."

Figure 3: Antecedents of a Brand Orientation



In another study by Krake (2005), qualitative research was conducted with 10 mostly medium sized companies. Just over half of the companies studied admitted that they "do something about brand management" and, following clarification of the research question, three maintained that brand management had no part in their daily or weekly operations (Krake, 2005, p.230). Krake (2005) further found that other than the directors/owners, no one within these organizations was specifically concerned with brand management, nor was it widely discussed or communicated. Krake (2005) concludes that in many SME companies, brand management receives little or no attention in the daily run of affairs. Although the owners or directors of SMEs are the ones to take the lead in this area, they either seldom have the time for it or are not even aware of "brand management" as a concept (Krake, 2005).

Based on the research findings of Baumgarth (2010), Krake (2005), and Wong and Merrilees (2005), it seems that smaller companies are less brand-oriented than larger ones. This leads to the following research proposition.

P1: The size of the company has a positive effect on the company's level of brand orientation.

Brand Barriers

Perhaps related to the size of the company is the construct of brand barriers identified by Wong and Merrilees (2005). 'Brand barriers' refer to obstacles that hinder smaller firms in particular in carrying out business activities based on the brand. The obstacles primarily involve limitations on financial and human resources, as well as time (Krake, 2005, Wong & Merrilees, 2005). The brand barriers construct is identified separately from the size of the company since larger firms may also be affected by resource limitations for a number of reasons including the negative effects of uncontrollable factors in various sectors of the external environment. These may include a weak economy, increasing costs of doing business, the imposition of new legal restrictions or requirements, and so forth. The unavailability of financial and human resources often forces firms to adopt a short term focus rather than a long term branding strategy and to underinvest in building the distinctiveness of their brand (Wong & Merrilees, 2005). Although Wong and Merrilees (2005) propose that brand barriers have a negative effect on a brand orientation, this relationship has not been empirically examined. We concur with Wong and Merrilees (2005) and set forth the following research proposition.

P2: Brand barriers have a negative effect on the company's level of brand orientation.

Services Component

The third potential antecedent relates to whether the company's product is a service or a physical good. Marketers generally perceive a continuum with pure services at one end (such as a carton of cereal) and pure services (such as financial services) at the other. Many products fall somewhere in between. For example, a restaurant provides the physical good of the food services as well as the service product that involves seating guests, serving food, and clearing the table. In order to provide more complete information to marketing managers, it is common for marketing studies to examine whether differences between physical goods and services are significant.

Although research regarding the brand orientation of service companies is scant, at least two empirical studies have shown that service companies tend to be less brand-oriented. Hankinson and Hankinson (1999) explored the differences in corporate cultures between the Top 100 Brand companies and Outside Brand companies (e.g. those managing less successful brands). Most of the differences between the two groups were in the consumer goods sector, as opposed to the services sector or the business to business sector (Hankinson & Hankinson, 1999). The authors suggested that such differences in consumer goods companies might be a result of longer and stronger commitment to the concept and process of branding (Hankinson & Hankinson, 1999). However, only 15 of the 196 firms investigated were in the service sector, and only three of these were identified as being in the Top 100 brands.

More recently, MCorp., a strategic brand and marketing consultancy, launched a more focused study on the branding practices of services companies, surveying marketing executives from 67 financial services institutions of varying types across the U.S. (Hinshaw & della Santina, 2004). Respondents tended to be experienced professionals, with the largest group (over 45 per cent) claiming over ten years' experience (Hinshaw, 2005). Nearly one-quarter (23.08 per cent) of the respondents were senior vice-presidents, executive vice presidents or chief marketing officers of brand, marketing and market research, while just over one-quarter (26.15 per cent) were vice-presidents in the same areas (Hinshaw, 2005). Hinshaw (2005) identified two major strategic issues facing financial services marketers relative to brand management: (1) a lack of brand performance information and the absence of a system to track it; and (2) a perceived lack of top-down organizational understanding of the importance, value and meaning of branding. Fifty percent of the respondents did not feel that the overall effectiveness of their branding initiatives was effective (Hinshaw, 2005). Less than half of the respondents indicated that they tracked the value and/or performance of their brand. Interestingly, these findings were not a function of the size of the firm. The average number of employees for firms not tracking their brands was well over 5,000 employees; this included eight firms with more than 50,000 employees (Hinshaw, 2005).

The findings from these studies seem to indicate that service firms are less brand-oriented than physical goods firms. One explanation may be that consumers rely more heavily on categorization cues (such as brand name and price) when making a purchase decision for physical goods than for services (Lee, 1993). Consumers do not feel comfortable evaluating services based on these cues because they perceive services to be highly variable, within and across providers (Lee, 1993). Instead, consumers use piecemeal processes, which entail evaluations of all the individual service features visible and available before purchase (Lee, 1993). Therefore, it may be that physical goods companies have more to gain by being brand oriented.

> *P3: The extent to which a company provides services over physical goods has a negative effect on the company's level of brand orientation.*

EXPLORATION OF BRAND IDENTITY

According to Urde (1999, p.128), "the brand identity constitutes a collective picture or form and answers the question "Who is the brand?" He likens this question to the equivalent existential question often posed in psychology "Who am I?" (Urde, 1999). When a firm attempts to explore its brand identity, both internal and external factors may be examined. Internally, the company considers who it thinks the brand is. Externally, the company considers the customer perspective of who the brand is. Once a company explores the question of "Who is the brand?" a logical next consideration relates to "Who does the brand want to be?" Thus, exploring the current brand identity leads to the formulation of brand-related objectives. In turn, the formulation of brand-related objectives leads the company to formulate strategies for achieving those objectives. As the company becomes more and more deeply analytical about the brand's identity, it increases its level of a brand orientation. As argued by Urde (1999, p.128), "the concept of identity is central to a brand-oriented organization."

> *P4: The extent to which a company explores its brand identity has a positive effect on the company's level of brand orientation.*

Brand Research

Although the decisions made by top management play a major role in the performance of many companies, a significant number of key marketing decisions are made by mid-level managers (Kalra & Soberman, 2010), including brand managers. Even large otherwise centralized companies (such as Sara Lee and Coca-Cola) have decentralized decision making to give brand managers more autonomy and responsibility ("Fashion Victim," 2000).

Unfortunately, in most companies, managers focus on making decisions based on what they know (Bennis & O'Toole, 2005) rather than taking time to ask: 'Do I know the things that are necessary to make the business a success?' (Kalra and Soberman, 2010). For example, when brand managers are asked how they develop marketing plans for their products, they typically say that they identify a marketing objective, develop strategies and tactics, and then execute those strategies and tactics (Kalra & Soberman, 2010). What is omitted, according to Kalra and Soberman (2010) is any mention of market research. This is somewhat surprising given the increasing availability and sophistication of market research techniques that may prove invaluable to brand planning and development. In fact, "over the past 50 years, one of the most important advances in marketing management has been the development of varied and rich techniques to collect information," (Kalra & Soberman, 2010, p.305). Some of the popular research techniques available to brand managers include conjoint analysis, usage and attitude surveys, multidimensional scaling, semantic scaling, focus groups, discriminant analysis, factor analysis, cluster analysis, and laddering (Kalra & Soberman, 2010). Managers who rely on what they already know and jump from setting objectives to developing strategies and tactics are not taking sufficient time to analyze the current situation and make research-based decisions designed to benefit the brand over the long term.

It is our contention that because a brand orientation (1) requires a deliberate approach to brand building, as opposed to the ad hoc approach common to many non-brand-oriented organizations (Gromark & Melin, 2005; Baumgarth, 2009), and (2) places the brand at the center of the business strategy, brand oriented companies will be those that rely on market research to make brand decisions.

P5: Brand research has a positive effect on the company's level of brand orientation.

Years of Planning and Investment

As mentioned above, Hankinson and Hankinson (1999) suggested that the differences found between consumer goods firms and service firms might be a result of longer and stronger commitment to the concept and process of branding. This is not a unique perspective. That is, several researchers (Aaker, 1991; deChernatony & McDonald, 1992; Hankinson & Cowking, 1993, 1996; Murphy, 1990) argue that strong brands result from years of strategic development and sustained levels of financial investment (Hankinson & Hankinson, 1999). This begs the question whether or not the number of years of brand planning should be investigated as a distinct construct. In other words, perhaps newer, less established consumer goods companies would prove to be less brand-oriented as a result of their less time devoted to branding. This explanation appears to be supported by Hankinson and Hankinson (1999) who observe in general that Top 100 Brands are significantly older than Outsider Brands. It seems reasonable to believe that a brand orientation requires time and investment into branding.

P6: The number of years of brand planning and financial investment has a positive effect on the company's level of brand orientation.

Expansion Growth Intention

Walker and Brown (2004) suggest that, at least in the case of small and medium sized businesses, the abilities, motivations and goals of the owner-manager significantly influence the decision whether or not to enlarge the size of the firm. Párdányi et. al, (2010) empirically investigate the effect of a firm's intentions to expand on a brand orientation. Using a four-item measure of the importance of business growth to the organization, Párdányi et. al, (2010) report that expansion growth intentions have a significant and positive effect on a brand orientation. It may be that the greater importance that a firm places on business expansion, the more likely it is to pursue brand development.

> *P7: Expansion growth intention has a positive effect on the company's level of brand orientation.*

Brand Management Assessment

In this final proposed antecedent, we consider the role of formal brand management assessment by the organization. To fully understand the purpose of brand management assessment, we first need to talk about what is meant by brand management and then identify the various forms of brand management systems that may be used by companies.

While there are many definitions of brand management, Krake (2005, p.229) presents the following definition by incorporating the works of Keller (1998) and Kapferer (1995): "A company/establishment that has embedded brand management within its organization recognizes that the implementation of a brand strategy and the management of a brand are not once-only exercises, but a daily recurring aspect of its marketing policy."

Low and Fullerton (1994) identify at least three systems of brand management (e.g. owner/entrepreneurial brand management, cross-functional brand management, and brand/product managers) that have evolved over time, and discuss the applications, advantages and disadvantages of each. From about 1870-1914, brand management was handled largely by firm owners/entrepreneurs (Low & Fullerton, 1994). For example, National Biscuit's first president was heavily involved in the development and launch of Uneeda Biscuits, the first national brand packaged cracker (Cahn, 1969, Chapter 2). H.J. Heinz dedicated his time to building the Heinz brand name (Alberts, 1973).

From about 1915 through the end of the 1920s, brand management passed from owners/entrepreneurs to teams of functionally specialized marketing managers, including for example, an Advertising Manager, a Sales Manager, etc. (Low & Fullerton, 1994). These functional teams worked closely with ad agencies due to the growing belief that the agencies possessed insights into "demand creation" for brands (Low & Fullerton, 1994).

As effectively as many brands were being managed, however, the functional manager system presented problems related to the effective coordination of similar brands within a firm (Low & Fullerton, 1994). For example, in 1926 when P&G launched Camay to compete with competitor brands Lux and Cashmere Bouquet, there was concern that Camay might also compete with its own Ivory brand (Low & Fullerton 1994). The idea of competitor brands from the same company was unheard of at the time (Lief, 1958). The senior management at Camay realized that the best way to manage similar, competing brands was to produce distinct strategies for each of them (Low & Fullerton, 1994). P&G was ahead of its time. It was not until after World War II (and more so in the early to mid-1950s) that the brand manager system "gripped firm after firm," (Low & Fullerton, 1994, p.181). Under this system, brand managers coordinated all of the marketing activities for their brand (Eldridge, 1966; Hehman, 1984). The brand manager approach did not make sense for all companies, such as PepsiCo who had relatively few brands in the first place or Heinz who had strong, long established family branding (Low & Fullerton, 1994).

A variation of the brand manager system was adopted by P&G in 1987 (Low & Fullerton, 1994). Groups of brand managers from the same product category (such as beverages) reported to a category manager who coordinated marketing efforts to benefit the brand category group ("P&G Widens Power Base," 1987; "P&G Rewrites the Marketing Rules," 1989).

By 1988, some form of brand management structure had been adopted by almost every U.S. consumer products company ("The Marketing Revolution at Proctor and Gamble," 1988). "The historical reality that three distinct forms of brand management have existed over the past century" (Low & Fullerton, 1994, p.188) indicates that there is no one right form of brand management.

How does this affect the brand orientation of a firm? It is argued that those firms that formally conduct some type of product management system assessment, such as the one suggested by Quelch, Farris, and Olver (1987), to determine the type of brand management system that would be most suitable for their company's specific needs and circumstances, would indicate that such firms are more likely to become brand oriented.

P8: Brand management assessment has a positive effect on the company's level of brand orientation.

MANAGERIAL AND RESEARCH IMPLICATIONS

The purpose of this paper is to identify potential antecedents of a brand orientation based on the existing marketing and business literature and to set forth a conceptual model depicting research propositions. Studies conducted on the consequences of a brand orientation demonstrate that a brand orientation has a positive effect on business performance. Accordingly, managers should strive to develop and nurture the brand orientation of their businesses in their efforts to attain higher business performance and competitive advantage.

The study suggests several factors as important determinants of a brand orientation. Based on the existing literature, a brand orientation appears to be facilitated by a number of factors, including: the size of the company, exploration of brand identity, brand research, years of planning and investment, expansion growth intention, and brand management assessment.

Additionally, brand barriers and the extent to which a company provides services over physical goods are associated with a lower level of a brand orientation. From a managerial perspective, a relatively low level of a brand orientation may lead managers to alter certain antecedents which, in turn, would lead to a higher level of a brand orientation. For example, a company with a low level of a brand orientation may invest time in exploring questions about the brand's current identity, from both internal as well as external perspectives. Alternatively, the firm could conduct a brand management assessment to determine if the current system of brand management is appropriate to the firm's circumstances. The brand management assessment may be particularly important if the company has recently added a number of new brands either through new product development or as the result of a corporate merger, or if the company has reduced the number of brands in its product mix as the result of divestment or experiencing negative outcomes associated with poorly managed brand proliferation.

Although this paper is conceptual in nature, the proposed model suggests a number of implications for future research. The first and most apparent research implication is that the model needs to be tested empirically to determine the extent to which the proposed relationships hold true. This, in turn, requires the identification of reliable and valid measures for each construct in the model, whether through existing research or through the development of new measurement scales. The results of empirical analysis will identify the relative impact of each of the proposed antecedents. For example, the number of years of planning and investment or brand barriers may prove to have a greater impact on a brand orientation than the size of the company.

Second, the proposed model indicates only main effects of each of the antecedents on a brand orientation. Future research will need to investigate whether there is significant interaction among the antecedents. For example, do expansion growth intentions accentuate the effect of brand research on a brand orientation? Does the number of years of planning and investment mitigate the effect of the services component on a brand orientation?

Third, most of the antecedents identified in the model are internal. Given that internal factors are generally considered controllable by the firm, these are deemed more important in terms of managerial implications. However, in order to gain a more complete understanding of the brand orientation model, future research may wish to investigate additional external factors that may also represent determinants of a firm's brand orientation. For example, it may be worthwhile to examine the role of the competitive environment. More specifically, is a firm more likely to be brand oriented if the industry in which it operates is brand oriented? Would new firms entering a brand oriented industry be more likely to be brand oriented than new firms in other industries?

Finally, while we provide important insights into the antecedents of a brand orientation, there is little discussion as to the change processes required for improving a brand orientation via one or more of the determinants. In other words, it would be helpful to managers to understand (particularly where it is not immediately apparent) *how* to increase a facilitating factor or reduce a mitigating factor in order to improve the firm's brand orientation. In this regard, it would be useful to conduct in-depth studies of a few organizations engaged in the change process so as to better understand how to affect the antecedents in such a way as to improve the brand orientation of the firm.

Research into a brand orientation is a relatively new field. Although the construct was first introduced in the 1990's, much of the research has been conducted only within the last decade. Many questions remain to be answered. This paper contributes to the field by providing an explanation and illustration of how a brand orientation fits within contemporary marketing strategy and identifying several potential antecedents of a brand orientation. The managerial and research implications that are presented further support the importance of gaining a more complete understanding of a brand orientation and provide direction for the advancement of research into this important and beneficial construct.

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DEVELOPING A MULTI-ITEM MEASUREMENT SCALE FOR DEVELOPING COUNTRY TEENAGERS' CONSUMTION RELATED VALUES THROUGH INVOLVEMENT IN REALITY TELEVISION

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ABSTRACT

The aim of this paper is to develop and confirm a multi-item measurement scale for consumption related values development through teenagers' involvement in Reality Television (RTV). Understanding consumption related values through RTV involvement of teenagers in their consumption behavior is important for further theory building in the consumer behavior field. Various researchers have proposed desire towards products, prohibited product consumption, materialism and anti-social behaviour as the domain items for teenagers' consumption related values. Using a multi-step process, this research refined and adapted an eight item measurement scale for developing country teenagers' consumption related values. These were then tested and confirmed using exploratory and confirmatory factor analyses techniques.

Keywords: Socialisation agent, RTV, TV content, Consumption related values.

INTRODUCTION

Teenagers worldwide are an emerging market segment that is receiving increasing attention from researchers (Bhosale & Gupta 2006; Lueg & Finney 2007). Specifically, as a consumer socialisation agent; electronic media receives maximum attention (Dotson & Hyatt 2005; Vakratsas & Ambler 1999). Consumption related values, on the other hand, are often identified as one of the common outcome components of the consumer socialisation process (Chan 2003; Gruber & Thau 2003). Reality Television (RTV) is a contemporary electronic media vehicle. RTV has generated a lot of interest among teenagers because of its interesting content (Lundy & Jacobson 2008). Furthermore, the nature of participants (Jacobs 2008), format (James 2007), and reward system (Driscoll 2007), makes RTV different and exclusive from other TV programs. Understanding the role of RTV in the development of consumption related values of teenagers in a developing country is critical for further theory building in the field. It is particularly important due to the huge size of the teenaged market segment and impressive growth of electronic media in developing countries (Quraishi, Bhuiya & Mohammad 2004).

Further, theory building in this area is also important in developing countries, where the population is relatively young. Accordingly, the key problem this research will address is:

How to measure developing country teenagers' consumption related values development by RTV?

CONSUMPTION RELATED VALUES

Consumption related values are considered as one of the common outcome components of the consumer socialisation process (Chan 2003; Gruber & Thau 2003). According to Pope, Brenan and Voges (2007, p. 335) "Values are shared beliefs among group members as to what behaviours are desirable or undesirable". Furthermore, Schiffman et al. (2005, p. 637) defined values as "relatively enduring beliefs that serve as guides for what is considered 'appropriate' behaviour and are widely accepted by the members of the society". So, consumption related values can be conceptualised as shared beliefs among group members as to what behaviours are desirable or undesirable toward products, prohibited product consumption, materialism and anti-social behaviour. (Chan 2003; Ghani 2005; Gruber & Thau 2003; Wyllie, Zhang & Casswell 1998). Generally, teenagers' values are significantly affected by electronic media, particularly Television (TV) (Bushman 2005; Gruber & Thau 2003). These days, teenagers are highly involved with the different content of TV and various TV vehicles (Acevedo-Polakovich et al. 2005; Choi & Ferle 2004). Teenagers' values development through TV has been explored from a social perceptive as well as from the context of consumer socialisation (Gruber & Thau 2003; Ward & Rivadeneyra 1999).

Theoretically, values development as an outcome of teenagers' socialisation process by the media is mainly explained from the perspectives of cultivation theory, observational learning theory and displacement theory. Cultivation theory suggests that frequent TV viewing increases the likelihood of the development of consumption related values that ultimately alters viewers' behaviour (Gruber & Thau 2003). Cultivation theory mainly suggests that teenagers' learning from TV is strongly associated with the volume of their watching and involvement with TV (Gruber & Thau 2003). Furthermore, values development of the consumer through the media also has been discussed by social learning theory, particularly by observational learning theory (Gruber & Thau 2003). Observational learning theory posits that people learn from observing others' behaviour and practice accordingly if rewarded and reinforced (Bandura 1977; Ward & Rivadeneyra 1999). In particular, teenaged children through observation or by imitating their favourite characters from TV develop their consumption related values that influence their consumption related behaviour (Bushman 2005; Russell, Norman & Heckler 2004). According to displacement theory the values development of teenaged children does not depend on the amount of TV viewing but rather on the content of TV (Anderson et al. 2001). Displacement theory suggest that teenagers' consumption related values does not depend on the amount of hours spent for TV rather then content of TV shows (Malthouse & Calder 2007).

The influences of TV on the values development of teenaged children are viewed by researchers as very significant (Chan 2003; Malthouse & Calder 2007). Abelman (2004) noted that young and talented children watch significantly more TV per week and are engaged in more active and selective tele-viewing. Furthermore, their desire towards product, sense of materialism and anti-social behaviour are viewed as a result of involvement with TV (Chan 2003; Ghani 2005; Gruber & Thau 2003).

TV as a consumer socialisation agent consolidates teenagers' desire towards prohibited product consumption, materialism, anti-social behaviour and their desire towards using any product in to the consumer socialisation process. In particular, teenagers' liking towards new and best products in market is triggered by TV (Chan 2003). Furthermore, TV influences teenagers' sense of materialism that triggers their demand for more allowances (Chan & Prendergast 2007). TV not only develops teenagers' sense of materialism nut also cause their anti social behaviour for getting product or brands available in market such as cigarettes and alcohol (Ghani 2005).

In this research, involvement with RTV has been considered as an antecedent variable of teenagers' consumption related values development. As one of the most contemporary forms of TV vehicles, RTV brought a lot of exclusive features with it (e.g., nature of participants, content, format, rewards, program layout) (Bown 2008; Frutkin 2008; Lundy & Jacobson 2008; James 2007; Jacobs 2008). Therefore, the more teenagers' involvement in it, it is expected the more it will lead to their consumption related values development. In particular, from the perspective of cultivation theory, teenagers' involvement (e.g., time spent, attention, likings) with RTV may influences their desire towards products and prohibited product consumption (Chan 2003; Ghani 2005). Furthermore, from the perspective of displacement theory, various content of RTV (e.g., informational, entertainment) may also influence teenagers' sense of materialism and antisocial behaviour for getting their desired products (Gruber & Thau 2003; Malthouse & Calder 2007). Therefore, expressing desire for using products and brands from RTV and observing different contents, as well as getting involved in RTV are assumed to be the solid ground of teenagers' values development that may reflect in their consumption related behaviour.

Since the research on consumer socialisation within the context of RTV is rarely examined, the domain of scale items to measure consumption related values have been mostly adopted from current research findings on consumer socialisation research by the media. Table 1 show the domain and measurement variables of consumption related values.

Table 1: Domain and Measurement Variables of Consumption Related Values.		
Constructs	**Domains**	**Scale Items**
Consumption related values	a) Desire towards products b) Prohibited product consumption c) Materialism d) Antisocial behaviour (Chan 2003; Ghani 2005; Gruber & Thau 2003; Wyllie, Zhang & Casswell 1998	1) I like to own the newest things shown on RTV 2) I like to own the best things shown on RTV 3) It is better to have more allowance from parents to buy the brand shown on RTV 4) I often request my parents to get the products shown on RTV 5) I often request my parents to get the products shown on advertisements in RTV shows 6) Some RTV shows promote use of prohibited items (e.g., alcohol, cigarette) among teenagers 7) Consumption of prohibited items (e.g., alcohol, cigarette) makes life more fun and exciting 8) I like the sexually appealing outfit worn by RTV participants and judges

METHODOLOGY

While some measurement items of teenagers' consumption related values through RTV involvement have been identified from the current literature, the measurement items are not directly applicable to developing country teenagers without some refinement as they were related to various other electronic media vehicles and not directly to RTV and generally developed country based research findings. To develop measurement scales for developing country teenagers' consumption related value development by RTV, the widely used three-stage procedure suggested by Churchill Jr. (1979) was followed and was also supplemented with confirmatory factor analysis (Bristol & Mangleburg 2005; Shrum, Burroughs & Gainesville 2005). Qualitative research was conducted to help refine the teenagers' consumption related values through RTV involvement construct and its measurement variables that have been developed based on the current literature, and quantitative methods to test the construct.

Exploratory factor analysis was considered a test of dimensionality, with the aim to produce a set of items that reflect a single underlying factor or construct. To assess the internal consistency reliability, a popular approach, coefficient alpha was used, at the exploratory factor analysis stage. Confirmatory factor analysis using AMOS was carried out to give a truer estimation of reliability and formally test the uni-dimensionality of a scale (Hoyle 1995).

Data for both qualitative and quantitative phases of this research was gathered from Bangladesh, a typical developing country. At the qualitative stage, two separate Focus Group Interview (FGI) sessions involving 10 Bangladeshi teenagers in each were conducted. During these FGI sessions participants were encouraged to describe events, draw linkages, and give explanations about their involvement in RTV. Both the FGI's were audio recorded with prior approval from each participant and following pre-determined ethics protocol. The data was analysed using content analysis method (Weber 1990). This method is often theory driven e.g., theory determines what to look for (Weber 1990). In this research the variables developed through the literature review were the basis for what to look for in the FGI data. Looking at the transcripts the themes and how these themes relate to each other were identified analysing each sentence spoken by the participants.

Data for the quantitative phase of the research was gathered from Bangladeshi teenagers using a Bengali (local language) version of a structured questionnaire initially developed in English. This questionnaire was also pilot tested. A total of 400 respondents were surveyed with equal representation of each gender. Age group wise there were higher representation (75.3%) of late teenagers (16-19 age group) then young teenagers (13-15 age groups) who had 24.7% representation. After screening, 368 questionnaires were considered valid and used for analysis.

REFINEMENT OF MEASUREMENT SCALE

Findings of this phase of research show teenagers' consumption related values developed through their involvement in RTV. Teenagers expressed some similarities and distinctive features regarding consumption related values. Most of them consider affordability and parental consent as important while making purchasing decisions. Generally, they think products and brands shown on RTV are quite expensive. Therefore, some of them do not show a strong interest to get the new or expensive products shown on RTV. However, 'pester' power is generally observed. Interestingly, if any promoted brands on RTV catch the attention of teenagers, then they try to get that. Moreover, they also express strong desire to get the newest brands (e.g., MP3, mobile phone) if they like them. Overall, teenagers are quite selective about products shown on RTV and they always think of the best brands whenever they try to buy. However, most of them get bursary from their parents, and their parents also keep monitoring how this money is used. However teenagers, wish to have more financial freedom to make their own buying decisions. Therefore, whenever they like any product they try to convince their parents. Others also express their desire to their parents about preferred brands shown on RTV or even in advertisements on RTV.

Furthermore, teenagers wish to have the newest and best things shown on RTV. One participant (B 2) said, 'Every one likes good products'. However, they also realise products shown on RTV are expensive, as well as not always matching their taste and choice. Furthermore, sometimes they wish to get the best products shown on RTV, but due to financial constraints they compromise. Teenagers also pay attention to what products and brands are shown in RTV advertisements. Therefore, most of them wish to have more financial freedom, to have their favourite products that are shown on RTV.

Teenagers not only are aware of different brands but also are concerned with unethical products shown on RTV programs. Sometimes prohibited items such as alcohol and cigarettes are promoted by the participants as product placement in foreign RTV. Furthermore, sponsors promote their brands through RTV. Teenagers think that some RTV content and advertisement promotion of prohibited items may deceive teenagers and lead them to consume them. Furthermore, parents are particularly strict regarding these unethical product promotions through RTV. Even from a societal point of view this unethical product consumption is also discouraged heavily in the context of Bangladesh.

On the other hand, teenagers are quite conservative regarding prohibited items (e.g., alcohol, cigarettes) promoted on RTV, either as part of program content or as advertisements. Most of them believe that consuming these prohibited items can not be a source of fun and excitement; rather they bring trouble in life. Furthermore, teenagers also have shown negative attitudes towards sexually appealing outfits worn by participants, or by judges. These days, not only in foreign RTV, but also in local ones, there are lifestyle based fashion shows where participants and sometimes judges are wearing sexually appealing outfits. Most of the respondents believe that RTV participants who wear sexually revealing outfits want cheap publicity. Further, they also believe judges should maintain their image, not wearing unnecessarily sexually revealing outfits.

On the basis of the FGI findings, the measurement domains and variables of the construct teenagers' consumption related values through RTV involvement were refined, adapted and rejected for further quantitative testing.

Table 2: Refined Domain and Measurement Variables of Teenagers' Consumption Related Values through RTV Involvement

Constructs	Domains	Scale Items
Consumption Related Values	a) Materialism (Chan 2003)	1) I like to own the newest things shown on RTV. 2) I like to own the best things shown on RTV. 3) It is better to have more of an allowance from parents to buy the brand shown on RTV.
	b) Desire towards products (Ghani 2005; Hastings & Aitken 1995)	1) I often request of my parents to get the products shown on RTV. 2) I often request of my parents to get the products shown on advertisements in RTV shows.
	c) Prohibited product consumption (Wyllie, Zhang & Casswell 1998)	1) RTV shows promote use of prohibited items among teenagers.

ASSESSMENT OF MEASUREMENT SCALES

To assess and refine the measurement scales in terms of reliability, uni-dimensionality and validity, there are two main approaches like; exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) (Hurley et al. 1997). The issue on which type of factor analysis (e.g., EFA or CFA) to use in a particular situation is the subject of a debate among organizational researchers (Hurley et al. 1997). This research employed a combination of both EFA and CFA to form a two-phase approach. The first phase involved employing EFA for scale assessment and refinement and the second phase involves employing CFA for scale validation (Fabrigar et al. 1999).

EFA was applied using principal component analysis extraction method. A total of 8 variables earlier identified through literature review and refined through qualitative research making those adoptable to a developing country (Table 2) were submitted for the exploratory factor analysis (EFA). Table 3 shows the factor extracted with the variables that explain the factor. After this stage, a number of variables that had poor factor loading (less than .50) were dropped from further analysis. This included variables val 4 (teenagers request parents for RTV products), val 5 (teenagers request parents for products shown in RTV) and val 6 (RTV promotes prohibited items).

Table 3: Retained Factors, Variables and Factor Loadings

Measurement Items	Factor Loading	% Variance Extracted	Eigenvalue	Co-efficient Alpha	Inter-item Correlation
Att 9	.672	58.12	2. 32	. 75	.823
Val 1	.664				.774
Val 2	.604				.715
Val 3	.564				.727

CFA RESULTS

The results of CFA of the measurement items of the 'consumption related values' are summarised in Table 4.

Table 4: Regression Weights of Consumption Related Values through RTV Involvement

Regression Weights		Estimate	S.E.	C.R.	P value
MNC brand in RTV	<---	1.000			
Teenagers like newest thing in RTV	<---	1.508	.154	9.802	0.000
Teenagers like best thing in RTV	<---	1.270	.128	9.961	0.000
Teenagers request for allowance	<---	1.011	.132	7.683	0.000

In Table 4 regression weight refers to the unstandardised parameter estimates for the factor loadings. No critical ratios (t-values) are stated for the respective first factor loadings of consumption related values and MNC brand in RTV were fixed to unity to scale the latent variables. All remaining factor loading were significant.

Table 5: Standard Regression Weights, Goodness- of- Fit Estimates and Composite Reliability of the Consumption Related Values through RTV Involvement		
Standardised Regression Weights	**Estimate**	**Composite Reliability**
MNC brand in RTV	.591	.92
Teenagers like newest thing in RTV	.833	
Teenagers like best thing in RTV	.736	
Teenagers request for allowance	.497	
Reliability-Co-efficient alpha α	.75	
Chi-Square	3.277	
Degree of freedom	2	
P	.194	
Normed Chi-Square (CMIN/DF)	1.639	
Root mean square of error of estimation (RMSEA)	.042	
Goodness of fit index (GFI)	.996	
Adjusted of goodness-of-fit index (AGFI)	.978	
Normed fit index (NFI)	.991	
Tucker-Lewis Index (TLI)	.990	
Comparative fir index (CFI)	.997	

The coefficient alpha for the consumption related values of CFA model is 0.75, indicating that the variables are a reasonable measure of consumption related values. Standard regression weights of all four variables are more than 0.5. Goodness-of-fit indices also indicate that the model fitted data well, with the P value, GFI, AGFI, NFI, TLI, RMSEA and CFI all within acceptable levels (table 5). Composite reliability .92 also indicates the reliability the underlying variables of 'consumption related values'.

CONCLUSIONS, IMPLICATIONS AND FUTURE RESAERCH

In this research a widely used multi-step process of developing measurement scales of marketing constructs have been followed. After initially, identifying the measurement items of consumption related values by RTV from the current literature, the same were refined and adapted for a developing country through qualitative research. These scale items were then tested using two-stage quantitative measures resulting in the confirmation of a four-item measurement scale for the developing country teenagers' consumption related values by RTV. Table 6 shows the tested four-tem scale.

Table 6: Multi-item Measurement Scale of Developing Country Teenagers' Consumption Related Values through RTV Involvement	
Construct	**Measurement Items**
Consumption related values	1) Teenagers prefer to buy multinational brands if they are shown by local RTV. 2) Teenagers like to own the newest things shown on RTV. 3) Teenagers like to own the best things shown on RTV. 4) It is better to have a bigger allowance from parents to buy the brand shown on RTV

This research has identified and tested the multi-item measurement scale for the construct developing country teenagers' consumption related values by RTV. These measurement items can now form the basis for various further researches, particularly on developing country teenagers' RTV involvement and its effect on their consumption behavior.

Understanding consumers' taste and preferences is the key issue for any marketer. Most of the international and local businesses give maximum priority and effort to understanding customers' consumption behaviour through consumption related cognition, attitudes and values. Accordingly, the findings of this research will be of interest to brand marketers and marketing communication planners in Bangladesh and other developing countries. Media strategist and sponsors also can get a clear indication of what are the different ways RTV helps developing country teenagers' consumption related values development, which might be useful for their marketing strategies.

This research has been conducted in Bangladesh only. There are many other developing countries in the world. As only one of the developing countries, Bangladesh does not represent all the economic and cultural indicators of all the developing countries. Accordingly, the findings of this research may not be treated as completely applicable to the rest of the developing countries, and needs to be tested further from the perspective of individual countries.

This research has the potential to open up a new area of empirical research. Particularly, findings from this research are relevant only for the TV vehicle, RTV. RTV being a most contemporary vehicle in the electronic media area, such findings may or may not be representative of other TV vehicles. Further research is required to re-test such scales for possible refinement and future usage for other media studies and confirm its applicability.

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AN EXPLORATORY STUDY: GEN Y MALES AND THEIR ATTITUDES TOWARD FASHION

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ABSTRACT

Much has been written about the importance of fashion from a female perspective. Apeagyei (2011) indicates that research on males and fashion has been very limited in academic literature. Otnes and McGrath (2001, p. 112) state, "Put simply, men are all but absent in studies of shopping behavior." The purpose of this study is to help fill this gap. In a survey of 95 Gen Y male shoppers it was found that there are a large percentage of males who do care about their appearance and place a high level of importance on fashion clothing.

INTRODUCTION

Much has been written about the importance of fashion from a female perspective. Indeed, fashion seems to be considered the private domain of females that few males ever enter. Indeed, while Apeagyei (2001) indicates that research on males and fashion have been very limited in academic literature, Otnes and McGrath (2001, p. 112) state, "Put simply, men are all but absent in studies of shopping behavior." Some suggest that if males purchase their own clothing, they are interested only in comfort and care very little about appearance. For example, Cox and Dittmar (1995) suggest that while women use an "other oriented" approach to shopping and therefore purchase clothing for the purpose of gaining the approval of their peers , men tend to focus primarily on the functional benefits of clothing such as warmth and durability. Frith and Gleeson (2004) present literature indicating men are less interested in clothing, spend less money on clothing, and are less involved in shopping for clothing than are women. The result of this view has been that very little empirical research has focused on the importance of fashion from a male perspective.

This rather mundane view of clothing, from the male perspective, may erroneously lead retailers to conclude that, while females may well play a more significant role than males in fashion diffusion (Beaudoin et al., 2003), there is little need to focus on the male clothing shopper as he has no real interest in fashion or fashion clothing. Apeagyei (2011) indicates that while men; in general, do not take as much interest in keeping up with fashion trends as do women, men's interest in fashion and shopping for fashion clothing is on the rise. Apeagyei further suggests that male shopping behavior is beginning to mirror or emulate the shopping behavior of women. If in fact men are becoming more aware of, and interested in, fashion and fashion clothing, it would clearly be in the retailer's best interest to understand why this change is occurring and what men are looking for in the area of fashion.

The purpose of this study is to provide empirical data on the Gen Y male's perceptions of the importance of fashion. This will be accomplished by examining men's attitudes toward social interaction, fashion in general, attitudes towards fashion and the approval of others, and their views of the significance of fashion clothing.

LITERATURE

Many previous studies of male shopping behavior have described the shopping habits of men as primarily utilitarian (Workman and Studak, 2005), interested only in the functional aspect of clothing (Cox and Dittmar, 1995), and indicate that men spend less money on clothing and are generally less interested in fashion than are women (Frith and Gleeson, 2004). While this may have been true in the past, and may still be the case among certain groups of men, there is an indication that these attitudes are beginning to change and that this change may be particularly true among Gen Y male consumers.

It is important to understand that Gen Y consumers, those born between 1977 and 2002, tend to be rather idealistic, socially aware, voice their opinions, and dress as they please but still seek the approval of their social group (Wolburg and Pokrywczynski (2001). Dias (2003) also concluded that Gen Y consumers wish to exhibit a personal style while conforming to the norm of what is expected in a particular social setting. It is further thought that shopping for clothing becomes an important activity for Gen Y as the proper choice of brands is seen as a way of expressing themselves and making the "right choice impacts both self-esteem and peer regard" (Taylor and Cosenza , 2002 p. 398). Further, it appears that Gen Y consumers tend to shop for themselves, are interested in quality, are willing to pay more for brand name products, and are perhaps the most consumption-oriented generation of all (Sullivan and Heitmeyer,2008). The attitudes of Gen Y males toward fashion seem to be changing as well. Bakewell et al. (2006) conclude that Gen Y male attitudes toward fashion are evolving in that males are seeing fashionable males in high status positions which suggests that fashion may be a means to an end. A result of this connection is that Gen Y males are becoming more aware, confident, and demanding in their views of fashion and retail outlets. The result of this change in attitude should be that retailers must use both personal and promotional communications in a way that treats males as being self-reliant, capable, assertive and masculine (Otnes and McGrath (2001).

CLOTHING'S EFFECT ON BODY IMAGE AND SELF-CONCEPT

While men may be less likely than women to express a concern with body image, the concern is likely to be there. This point is made by Apeagyei (2011) who examined 163 Gen Y males and found that 81% of the male respondents agreed that clothing can be used as a method of projecting various images and 70% indicated that they wear clothing that projects the desired image. It has been reported that fashion conscious males are more self-conscious in general and tend to connect fashion with their self-identity. Consequently, fashion conscious males purchase products that reflect masculine characteristics (Gould and Stern, 1989). Firth and Gleeson (2004) report that while men indicate that they are unconcerned about their body image the reality is that men now tend to be quite careful about, and attentive to, their clothed appearance. They further found that men tend to use clothing to try and conceal being overweight, or in some cases, men wear loose fitting clothing to appear to be larger than they actually are. They concluded that body image plays an important role in men's choice of clothing and reflect a concern over how others evaluate their body. Interestingly, they conclude that clothing, while not be as invasive as plastic surgery, none-the-less serves as an everyday method of modifying the appearance of one's body. Quite recently, Apeagyei (2011) found that men are choosing clothing that emphasize their physique and indicate a particular lifestyle with which they wish to be associated. This concern with body image is clearly associated with one's self-concept and how they feel about themselves in general.

Self-concept is thought to be the way in which a person sees themself. The ideal self-concept is the way a person would like to see themselves regardless of others perceptions. Perhaps, more importantly, the ideal social self-concept is thought to be the way an individual wishes to be perceived by others (Zinkhan and Hong, 1991). As clothing is a conspicuously consumed product, one's self-concept, as it relates to clothing, is extremely important. Consumers are thought to purchase clothing for their symbolic properties in an attempt to develop self-image and identity (Elliott and Wattanasuwan, 1998) as well as serving as a method of portraying a particular identity to others (Schenk and Holman, 1980). Michaelidou (2006) suggests that clothing serves as a self-expressive product that allows the individual to project a desired self-image and concludes that clothing gives the purchaser pleasure but also helps them express their self-image and identity. Hence, Michaelidou suggests that the slogan of "you are what you wear" could be a practical way of influencing consumer choice of clothing. Apeagyei (2011) has also concluded that clothing is often purchased for the purpose of self-expression and for portraying a particular identity thus clothing is often seen as a reliable sign of identity and serves as a form of communication. Michaelidou and Dibb (2006) indicate that consumers purchase clothing not only because they enjoy clothing but also because clothing serves as a symbolic method of projecting a specific or desired self-image. In short, they suggest that clothing is a tool that is in itself self-expressive and aids in the shaping of one's self-image.

As clothing appears to be a method of expressing self-image and identity, it would seem that the male consumer will be likely to become more involved in the shopping process than previously thought. Indeed, Seo, et al. (2001) found that in their sample of Gen Y males approximately 16% were considered to be in the high involvement category, 73% fell into the medium involvement category, and only 11 % fell into the low involvement category. These numbers indicate that Gen Y males are involved in fashion decisions at a relatively high level and that it is not uncommon for Gen Y males to purchase clothing similar to what their friends are wearing so that they will be seen in a particular way.

The literature paints a picture of an evolving male interest in fashion clothing which would suggest that retailers would do well to recognize that not all males are interested in only dull utilitarian clothing. The male clothing shopper is recognizing that clothing is an outward sign of self-image and a symbol of success. Indeed, a recent study revealed that men spend approximately $1,000 more on luxury fashion items over a three month period than do women. Further, this spending habit has been less affected by the economic downturn for men than for women (Brandweek, 2008). It would seem rather clear that it is the retailer's best interest to understand this evolution and provide products that are likely to appeal to this new male shopper.

METHODOLOGY

A survey was administered to male American students enrolled in an undergraduate business course. Respondents were asked to provide their views on fashion clothing. The questionnaire included questions derived from the following scales: the five Concern for Physical Appearance items from the Vanity: Trait Aspects of Vanity scale (Netemeyer, Burton and Lichtenstein 1995), the Fashion Leadership scale of six items (Goldsmith, Freiden, and Kilsheimer 1993), five items of the Fashion Involvement Factor: FIF scale (Tigert, Ring, and King 1976), 10 items for Unpopular Choice from the Consumer's Need for Uniqueness scale (Knight and Kim 2007), and the Fashion Clothing Involvement (O'Cass and Choy 2008) scale of five Fashion Clothing Product Involvement items and five Fashion Clothing Purchase Decisions Involvement items. Consumer perception of U.S. brands was measured with three questions including, "In general U.S. clothing brands are of superior quality to international brands," "In general, international clothing brands are of superior quality to U.S. brands," and "I prefer to wear clothing brands that are U.S. rather than international brands." Respondents were to select their level of agreement or disagreement with each statement using five-point Likert scales (1 = *strongly disagree*, 2 = *disagree*, 3 = *neutral*, 4 = *agree*, 5 = *strongly agree*).

RESULTS

A total of 95 complete and usable surveys were received. A cursory examination of the mean scores shown in Tables 1 – 5 would lead the casual reader to assume that males show little interest in fashion clothing. However, the results of one-sample t-tests with a test value of three indicate most responses are significantly different than "neutral." This is reinforced by the responses in the "agree" to "strongly agree" categories.

The data in Table 1, which represents the Consumer Fashion Survey, shows that 69% of the respondents indicate that the way they look is important to them (t = 7.10, sig. = .000), 57% indicate that they are very concerned about their appearance (t = 5.29, sig. = .000), 62% indicate that looking my best is worth the effort (t = 5.55, sig. = .000), 43% say that it is important to always look good (t = 2.35, sig. = .021), and 45% report that an important part of their life is dressing smartly (t = 3.12, sig. = .002). These numbers clearly reflect a significant number of men who are concerned with the way the look.

Table 1: Consumer Fashion Survey

Variable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Score	One-Sample t	Sig.
The way I look is extremely important to me.	3 3.2%	8 8.5%	18 19.1%	52 55.3%	13 13.8%	3.68	7.10	.000
I am very concerned about my appearance.	3 3.2%	10 10.5%	28 29.5%	44 46.3%	10 10.5%	3.51	5.28	.000
I would feel embarrassed if I were around people and did not look my best.	7 7.4%	34 36.2%	26 27.7%	22 23.4%	5 5.3%	2.83	-1.58	.117
Looking my best is worth the effort.	2 2.1%	14 14.7%	20 21.1%	49 51.6%	10 10.5%	3.54	5.55	.000
It is important that I always look good.	4 4.2%	17 17.9%	33 34.7%	35 36.8%	6 6.3%	3.23	2.35	.021
I am aware of fashion trends and want to be one of the first to try them.	19 20%	44 46.3%	21 22.1%	8 8.4%	3 3.2%	2.28	-7.08	.000
I am the first to try a new fashion; therefore, many people regard me as being a fashion leader.	37 38.9%	37 38.9%	12 12.6%	7 7.4%	2 2.1%	1.95	-10.22	.000
It is important for me to be a fashion leader.	38 40%	45 47.4%	6 6.3%	5 5.3%	1 1.1%	1.80	-13.63	.000
I am confident in my ability to recognize fashion trends.	13 13.7%	23 24.2%	32 33.7%	26 27.4%	1 1.1%	2.78	-2.09	.040
Clothes are one of the most important ways I have of expressing my individuality.	11 11.6%	33 34.7%	22 23.2%	23 24.2%	6 6.3%	2.79	-1.82	.072

Table 1: Consumer Fashion Survey								
Variable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Score	One-Sample t	Sig.
I don't spend a lot of time on fashion related activities.	2 2.1%	9 9.5%	23 24.2%	40 42.1%	21 22.1%	3.73	7.20	.000
I usually have one or more outfits of the very latest style.	7 7.4%	32 34%	34 36.2%	20 21.3%	1 1.1%	2.74	-2.71	.008
An important part of my life and activities is dressing smartly.	1 1.1%	20 21.1%	31 32.6%	36 37.9%	7 7.4%	3.29	3.12	.002
I like to shop for clothes.	19 20.2%	18 19.1%	20 21.3%	27 28.7%	10 10.6%	2.90	-0.71	.481
I am increasingly shopping at boutiques or fashion specialty stores rather than department stores.	36 37.9%	33 34.7%	18 18.9%	5 5.3%	3 3.2%	2.01	-9.30	.000
When I must choose between the two, I usually dress for fashion not comfort.	24 25.3%	26 27.4%	24 25.3%	15 15.8%	6 6.3%	2.51	-3.98	.000

Table 2, representing the Fashion and Approval of Others survey, provides data showing that males are very aware of what others do and think and are not likely to stray far from the norm. The highest percentage of responses fall into the strongly disagree to disagree categories suggesting that most male respondents do not wish to be seen as being too different from their peers and are not likely to challenge the prevailing norms of their social groups.

Table 2: Fashion and the Approval of Others								
Variable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Score	One-Sample t	Sig.
I have sometimes dared to be different in ways that others are likely to disapprove.	6 6.4%	24 25.3%	24 25.3%	37 39.4%	3 3.2%	3.07	0.71	.074
Being out of place doesn't prevent me from wearing what I want to wear.	4 4.3%	23 24.7%	22 23.7%	35 37.6%	9 9.7%	3.24	-1.60	.113
When it comes to the products I buy and the situations in which I use them, customs and rules are made to be broken.	5 5.3%	29 30.9%	37 39.4%	21 22.3%	2 2.1%	2.85	-6.72	.000

Table 2: Fashion and the Approval of Others								
Variable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Score	One-Sample t	Sig.
I often dress unconventionally even when it's likely to offend others.	16 17%	42 44.7%	24 25.5%	11 11.7%	1 1.1%	2.35	-3.16	.002
I rarely act in agreement with what others think are the right things to buy.	6 6.4%	36 38.3%	35 37.2%	14 14.9%	3 3.2%	2.70	2.14	.035
When it comes to the products I buy and the situations in which I use them, I have often broken customs and rules.	5 5.3%	28 29.8%	36 38.3%	24 25.5%	1 1.1%	2.87	-1.38	.170
I have often violated the understood rules of my social group regarding when and how certain products are properly used.	6 6.4%	32 34%	35 37.2%	21 22.3%		2.76	-2.71	.008
I enjoy challenging the prevailing taste of people I know by buying something they wouldn't seem to accept.	8 8.5%	37 39.4%	30 31.9%	18 19.1%	1 1.1%	2.65	-3.68	.000
If someone hinted that I had been dressing inappropriately for a social situation, I would continue dressing in the same manner.	16 17%	35 37.2%	31 33%	12 12.8%		2.41	-6.16	.000
When I dress differently, I'm often aware that others think I'm peculiar, but I don't care.	8 8.4%	25 26.3%	37 39.4%	21 22.3%	3 3.2%	2.85	-1.49	.141

Again, the mean scores shown in Table 3, representing the Significance of Fashion Clothing, shows that approximately one third of the sample group indicate a very real interest in fashion and clothing. The responses show that 35% indicate that fashion clothing is significant them (t = -1.81, sig. = .074), 34% say it is important to them personally (t = -1.60, ns), 36% say that they are interested in fashion clothing (t = -1.97, sig. =051), 31% indicated that deciding which brand of fashion clothing to buy is important to them (t = -1.94, sig. = .056), 41% reported that they give a lot of thought to a fashion clothing purchase (t = -0.54, ns), and 43% say that the fashion purchase decision is important to them (t = -0.36, ns).

Table 3: Significance of Fashion Clothing								
Variable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Score	One-Sample t	Sig.
Fashion clothing means a lot to me.	13 13.8%	30 31.9%	26 27.7%	24 25.5%	1 1.1%	2.68	-2.98	.004
Fashion clothing is significant to me.	12 12.8%	29 30.9%	20 21.3%	32 34%	1 1.1%	2.80	-1.81	.074
For me personally, fashion clothing is important.	13 13.8%	25 26.6%	24 25.5%	30 31.9%	2 2.1%	2.82	-1.60	.113
I am interested in fashion clothing.	17 18.1%	23 24.5%	20 21.3%	33 35.1%	1 1.1%	2.77	-1.97	.051
I pay a lot of attention to fashion clothing.	18 19.1%	37 39.4%	26 27.7%	10 10.6%	3 3.2%	2.39	-5.77	.000
Deciding which brand of fashion clothing to buy is important.	12 12.8%	27 28.7%	26 27.7%	27 28.7%	2 2.1%	2.79	-1.94	.056
I think a lot about which fashion clothing brand to buy.	18 19.1%	29 30.9%	22 23.4%	22 23.4%	3 3.2%	2.61	-3.35	.001
Making a purchase decision for fashion clothing is significant.	15 16%	24 25.5%	25 26.6%	27 28.7%	3 3.2%	2.78	-1.92	.058
I think a lot about my purchasing decisions when it comes to fashion clothing.	13 13.8%	22 23.4%	21 22.3%	34 36.2%	4 4.3%	2.94	-0.54	.593
The purchase decisions I make for fashion clothing are important to me.	13 13.8%	21 22.3%	20 21.3%	37 39.4%	3 3.2%	2.96	-0.36	.719

CONCLUSIONS

The data presented in these three tables indicate that overall mean scores show a relatively low interest in fashion clothing in general. However, a closer examination shows that over a third of the respondents indicate a real interest in fashion clothing. This sizable segment would seem to be of real interest to merchants dealing in higher end fashion products. It is also interesting to see that in Table 4, representing Consumer Perceptions of U.S. Brands, 40% would prefer to purchase U.S. brands over international brands (t = 2.88, sig. = .005.).

Table 4: Consumer Perception of U.S. Brands								
Variable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Score	One-Sample t	Sig.
In general, U.S. clothing brands are of superior quality to international brands.	9 9.5%	22 23.2%	45 47.4%	16 16.8%	3 3.2%	2.81	1.97	.052
In general, International clothing brands are of superior quality to U.S. brands.	6 6.4%	20 21.3%	42 44.7%	20 21.3%	6 6.4%	3.00	.000	1
I prefer to wear clothing brands that are U.S. rather than international brands.	3 3.2%	16 16.8%	38 40%	26 27.4%	12 12.6%	3.29	2.88	.005

Given that 84% of men now are making their own decisions on clothing choices (MEN'SWEEK, 2011) it is extremely important to recognize this growing segment of men who show an interest in fashion clothing and find ways to reach them. Perhaps these findings should not be too surprising as Byrnes (2006) points out that given a past divorce rate of around 50%, many men who are now in their 20s and 30s were raised by a single mother and have taken on many of her habits. It was further suggested that given this son/mother relationship, men in their 20s and 30s are likely to shop more like their sisters than their fathers.

The data presented in Table 1 indicates that most men do not consider themselves fashion leaders nor do they wish to dress much differently than their peers. However, Kinley et al. (2000) finds that past literature suggests men use other people as a model for personal behavior and that male shoppers tend to use both print and audio/visual media as a means of reinforcing image, lifestyle, and personality. They suggest that based upon these findings, a retailer should find creative ways of showing fashion clothing to the male consumer both in and outside of the store environment providing the male shopper with a more complete picture of fashion clothing.

Clearly, a significant number of men are now interested in fashion clothing for a variety of reasons and retailers would do well to recognize this movement and begin to cater to this segment with specific products and advertising. This advertising needs to be much more focused than past advertising has been. For example, advertising could be designed to show the male shopper that the cliché of "clothing makes the man" is perhaps truer than one might think. Focused advertising showing the relationship between clothing and success, may allow the retailer to entice more male shoppers who are focused on career building. Byrnes (2006) points out that approximately 79% of men do not identify with models in advertisements that are presently targeting men. In short, most men are neither metrosexual nor retrosexual – they are someplace in-between. The retail environment must be responsive to this evolution in male shopping habits and show men that clothing is an important element in presenting a successful appearance.

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THE ROLE OF INTEGRATED WEB-BASED BUSINESS CHARACTERISTICS IN CONSUMERS SELECTIONS

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ABSTRACT

Over the last several years, the concept of online shopping has drawn a significant attention among the consumers. Although websites offer the consumers with information, choices and convenience, but the tasks of finding the exact products that meet consumers' needs can be a complicate decision. The purpose of this research project was to examine the usage of online shopping websites and determine the factors that contribute to the customer decision making process. A number of websites have been assessed to determine their usage, popularity, and preference among the consumers. Based on survey methodology, a data-driven model was developed and the objective of the project was formulated in term of major issues pertaining to online shopping. Surveys and interviews were conducted with 250 participants. The survey method included face-to-face interviews, email, and social networking questionnaires. The analysis of data indicates that customers are selecting websites based on reputation of the online business providers, availability and type of products that are proper to their needs. Further, younger customers of age range 16-34 are more active online shoppers than customers with children. This group is more focusing on electronics, video and books with average spending of $150. The results of this project cloud contribute to decision making process of small business' owners in making transition to the e-business.

Keywords: Social Networking, online shopping motivation factors, web-based business

INTRODUCTION

Consumers are increasingly making decisions using digital media since Web 2.0 has offered a useful and essential interactive media tool and platform for communication, information search, and shopping. Although websites offer consumers significant amounts of information, choice, and great convenience, the tasks of finding the exact products that meet consumers' needs and making a purchase decision with confidence and credibility can be complicated (Benbasat, 2008). Shoppers have often expressed that website contents insufficient information to complete a search or purchase online. In many cases, due to a lack of online product information and assistance, shoppers leave a website without either purchasing or searching for another website option (Goldsmith, 2006).

Researchers have been studies different factors related to online shopping including consumers' altitude (Ling, 2011), trusts (Smith, 2005), and confidence (Bearden, 2001). However, as the Internet enables consumers to reviews, evaluate, and recommend online merchandises. Further, through the use of social media tools, such as, Facebook, Twitter and Skype, they can find information on each individual item offered online (Mangleburg, 2004). In a survey conducted by Forrester Research indicates that 64% of 5,000 shoppers would like to see review and rating features as necessary web features of online purchasing websites (Parsons, 2002).

Most of the online shoppers have made a purchase based on recommendations through the web community and social media channels and their buying behavior is significantly influenced by the following sources: customer reviews (71%); community forums (45%); Facebook wall (31%); videos (30%); Facebook fan page (25%). As CGC (Consumer Generated Content) and word of mouth (Babin, 2005) have become important and, in some cases, essential in consumer decision making, marketers are recognizing and paying attention to social media platforms (e.g., Facebook and Twitter) to assist in building social commerce and to improve the effectiveness of Internet marketing strategies (e.g., viral marketing, social media marketing) (McCarthy, 2007).

Retailers across every category are capturing primary marketing research by encouraging customers to provide opinions and ratings on products and services they have purchased. Threaded message board conversations have developed into a virtual exchange of advice on product categories—an exchange most powerfully exhibited when it takes place between novices and enthusiasts (Harrell, 2009). Participating customers help create a body of content that enriches the experience of other customers and gives the retailer's Website a competitive advantage. The New York marketing research company, Marketing Sherpa, specializing in tracking what works in all aspects of marketing; reveals that 23% of e-commerce sites adopted features that allow for consumers to post comments, reviews, ratings, and in some cases photos and videos; the percentage nearly doubled to 43% by the end of 2006 (Gogoi, 2007).

The e-Tailing Group (http://www.e-tailing.com/), reveals that 58% of retailers who adopted customer reviews said improving the customer experience was the most important reason for adding social commerce (selling with social media) to their sites, followed by building customer loyalty (47%), driving sales (42%), and maintaining a competitive advantage (37%) . Also, a main benefit of customer reviews and ratings is that e-tailers can improve their browser rates. The e-Tailing Group study found that 11% of retailers reported that their conversion rates increased by 20% or more as a result of adding reviews to their sites and 21% reported an 11% to 20% increase (e-Tailing Group, June 2008).

BACKGROUND

The term online shopping refers to purchasing goods and services from the internet and web portals. All consumers need to do is to enter the variety of available websites to them on the internet and search for desirable items. The time of delivery takes no more than a week in international markets, and it takes only 3-4 days for the domestic market. Online shopping also provides the consumer a variety of payment options which includes the most sought after payment method of credit or debit cards; Western Union Money Transfer; and PayPal (Parsons, 2002). These added advantages are widely discussed in literature and most researchers agreed that online shopping is the most technological development of the internet world (Yoh, 2003). Many researchers also agreed that it not only allows a wide range of products and solutions available to the consumer but also allows for convenient methods of payment. Online shopping is causing retailers to encounter many problems including the elimination of their function in the supply chain (Gunasekaran, 2002).

In making purchase decisions, consumers are confronted by a variety of product alternatives that may lead to confusions. This uncertainty could prevent them from fully understanding the purchasing environment and being confident about products. If the decision-making process is influenced by conditions of uncertainty, risk, or complexity, consumers can face serious decision difficulties (Haubl, 2000).

Social shopping allows a consumer to access the resources' accumulated information through the relationships among other members (Chen, 2005). Current trends in social commerce include the social side of activity in the Internet business (e.g., social networking, social search, social media, social bookmarking, and social shopping) increase research interest in marketer's social web applications or services that can appeal to and deliver an integrated social experience to consumers (Weinberg, 2009). In other words, social commerce provides customers with the means to virtually interact with one another in order to make better purchase decisions. This new type of online shopping community combines two favorite online activities, social networking and online shopping which engage the practice of online word of mouth (Babin, 2005).

Consumer generated and social networks produce resources, such as, information and support from the customer perspective. Intellectual capital and social capital are resources provided through social shopping and the consumer can expect them to play a significant role in providing decision information and support, and improving decision quality (Kim, 2007). In other words, perceived benefits of social shopping in consumer decision-making will depend on what consumers think about the intellectual capital and social capital and how consumers evaluate them as to whether the information obtained is accurate and originates from knowledgeable and trustworthy sources (Fogg, 2002).

Information related to products can be easily obtained through product attributes (e.g., styles, specifications, sizes, and functions), but information search related to experience products can hardly be obtained through such attributes. Thus, the recommendations or reviews of others are more widely used for experience products rather than for search products (Haubl, 2000). The relationships between consumer motives and information search behavior are examined comprehensively in consumer behavior literature (Peterson, 2003). Consumers' dependency on the Internet to search for information is growing on daily basis. Due to the interactive features of the Internet such as online communities and chat rooms, consumers can obtain information from the other customer experiences. Consumers search for information, in order to make a judgment and they rely on so called hard data provided by retailers/manufacturers or soft data provided by their own experiences or comments from friends and families. In social shopping, obtaining the soft data from CGC is a key information oriented motive (Lien-Ti, 2004).

Information serves as the basis for consumer decisions and choices. As the web has become an increasingly rich information resource, gaining competitive advantage through high quality web content also has become an important topic. Therefore, it is essential to understand how to establish online information quality and to assure web users that online information is credible. Credibility refers to the validity of a source or message. Although the concept of credibility is closely related to several concepts, including trust, reliability, accuracy, reputation, quality, authority, and competence. These concepts can be classified in two core dimensions of credibility: expertise dimension (e.g., quality, accuracy, authority, competence) and trustworthiness dimension (e.g., reputation, reliability, trust) (McCarthy, 2007).

Today with the availability of online shopping, the consumer can purchase an item 24/7 without the need to go to a store during specific hours. Today, many people still feel uneasy purchasing a product on the Internet; however, every year more and more consumers purchase products via the web. Still many consumers are reluctant to purchase online since the consumer is afraid of a difficult product return policy.

In comparison, one of the major advantages of in-store shopping is that the consumer can feel the product and evaluate it in a better way before making the actual purchase. Consumers' traditional shopping efforts are typically limited to only a few retailers located within driving distance from their home or office, whereas, online shoppers have access to many retailers from across the globe. Also, online shopping offers more alternatives over product and price information. It seems that the compression of both distance and time can have far reaching effects on consumers' shopping behavior. Since online shopping has the potential to lower direct costs such as fuel, consumers may perceive their online shopping efforts to be relatively inexpensive (Rohm, 2004).

METHODOLOGY

This study was designed to incorporate quantitative and qualitative methods using a mixed-model. The mixed-model design survey allows for concurrent quantitative and qualitative methods to be implemented in the best possible way. This methodology is appropriate for the present study because it accommodates specific questions on the buying patterns of the consumer online shopping behavior. This study used an online shopping survey, with a Likert-type scale and open-ended questions. The Likert-type scale and open-ended responses were developed through the literatures review and taking into consideration of customers. The survey process was administered face-to-face as well as electronically. The primary objective of the research project was to ascertain the respondents various views of purchasing a product online. The objective was formulated as the following research issues.

The primarily research issues include:

Issue 1: *How often do customers shop online*?
Issue 2: *Are the customers willing to pay more for the convenience of on-line shopping versus shopping at a brick and mortar store?*
Issue 3: *What type of products are they purchasing online?*
Issue 4: *What factors are customers looking for when shopping online*?

Other questions to be answered in this survey include:

Issue 5: *Demographics*.
Issue 6: *Who in the family does the customer shop for*?
Issue 7: *How much money does the customer spend when shopping online?*
Issue 8: *Top three websites among online shoppers*?

As part of a data-driven model, a questionnaire was developed using standards such as a demographic profile and Likert and open-ended survey questions to ascertain the respondent's responses. To analyze the data, a randomly selected population of three hundred respondents was selected to take the survey. Of the three hundred (300) participants that were asked, two hundred and fifty (250) of them completed the survey. The surveys were distributed among students and faculty members of the university. Also, the survey was randomly distributed at Lakeside Mall and the Riverwalk Market Place's. The survey was posted on www.surveymonkey.com and www.facebook.com to individuals. In addition, there was a link to the website sent out by Hotmail and Gmail to my personal friends.

The data collection procedure was fairly simple and it gave an ideal opportunity to the respondents to have maximum participation during the interview. The respondents were not given an excuse to complain as the format of the questions was very simple to facilitate the participants in answering all the questions. Since the nature of the topic required detailed description from the customer regarding the questions asked to them, there were not many short questions asked during the interview.

Two hundred fifty (250) respondents had different compositions during the data collection procedure. There were 95 people who were asked questions face-to- face, 78 people were asked questions on www.facebook.com , and 43 people were included during the www.surveymonkey.com procedure and 34 people were asked questions via email form. Overall, one hundred and fifty-five (155) respondents answered the questionnaire online, while ninety-five (95) respondents answered the questionnaire through face-to-face. The data was divided into two sections including main topics and subsidiary topics and the results will be presented in the following section

FINDINGS

Two hundred fifty (250) randomly selected respondents answered a questionnaire concerning online usage for purchasing a product in September and October, 2012. The following are the findings in terms of the main research issues as indicated.

Issue 1: *How often do customers shop online*?

As shown in Table 1, of the two hundred fifty respondents 24% of the respondents stated they shop online once a month. The next group with high value is the population who shop online once every six months with 22%. The total results of how often does the respondent shop online are located in Table 1.

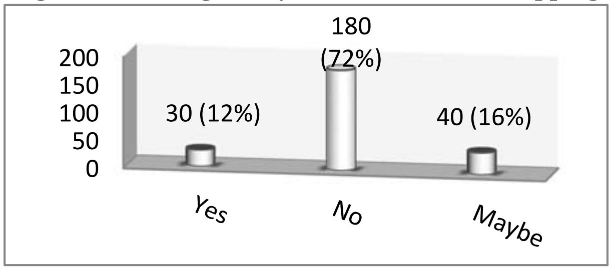
Table 1: How often do customers shop online?

Category	Response	Percentile
Once a day	10	4.00
Once a week	32	12.80
Once every two weeks	28	11.20
Once a month	60	24.00
Once every three months	45	18.00
Once every six months	55	22.00
Once a year	20	8.00
I do not shop online	0	0.00

Issue 2*: Are the customers willing to pay more for the convenience of on-line shopping versus shopping at a brick and mortar store*?

Overwhelmingly the respondents indicated they are not willing to spend more for online shopping than shopping in a store. (See Figure 1) Only twelve percent of the population stated they would be willing to pay more to shop online.

Figure 1: Willing to Pay More for Online Shopping



Issue 3: *What type of products are they purchasing online?* Table 2 shows electronics has the highest followed by books, travel, and clothing**.**

Table 2: Types of product purchased by the participants on the internet

Category	NO.	%	Category	NO.	%
Antiques	0	0.00	Health & Beauty	70	28.00
Art	10	4.00	Home & Garden	40	16.00
Book	169	67.60	Jewelry & Watches	15	6.00
Business & Industrial	20	8.00	Music	82	32.80
Cameras & Photo	60	24.00	Pet Supplies	20	8.00
Auto & Motors	40	16.00	Real Estate	5	2.00
Cell Phones &Accessories	90	36.00	Sporting Goods	30	12.00
Clothing & Shoes & Accessories	110	44.00	Tickets (concerts, movies, etc.)	100	40.00
Computers/Tablets & Networking	85	34.00	DVDs & Movies , Toys & Hobbies	95	38.00
Electronics	190	76.00	Travel (airlines, car rentals, hotels)	150	60.00

Issue 4: *What factors are customers looking for when shopping online?*

In reviewing both Figures 2 and 3 reveal that the importance of the positive and negative factors (perceptions) when shopping online. The following top three assertions concerning factors that the customers looking for when shopping online are:

1) Security provided by Bank, Third Party, Government.
2) Customer Support.
3) Reputation of the online company, website or manufactures of the product.

It is interesting to note that the result is in harmony with conclusions of the other research articles, indeed customers are concerned about security and support.

Figure 2: The importance of the positive factors when shopping online

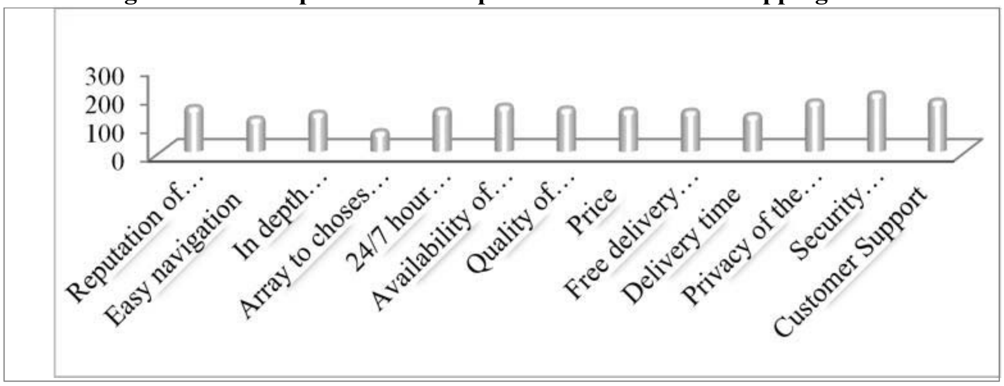
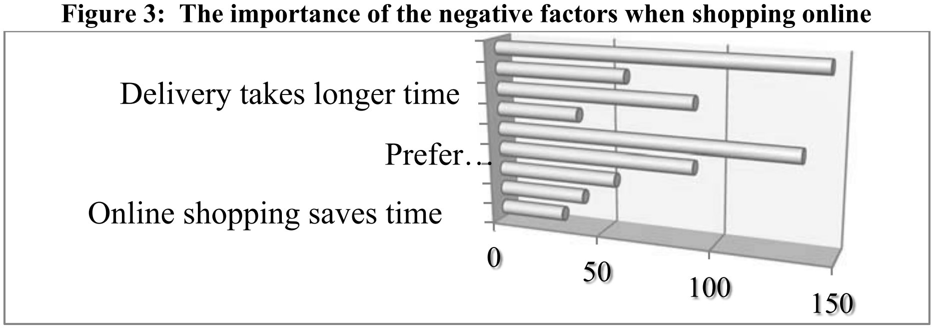


Figure 3: The importance of the negative factors when shopping online



Issue 5: *Demographics.*

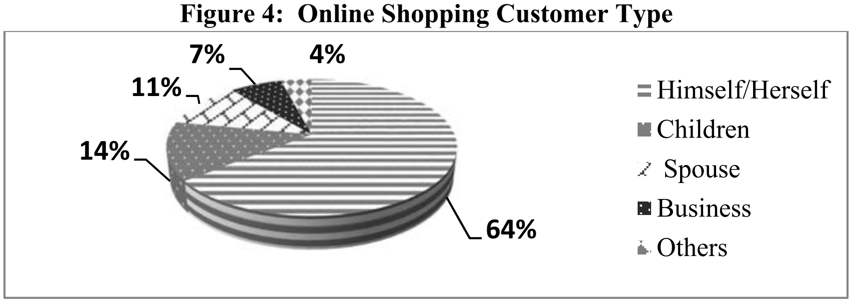
The demographic results of the survey are indicated in Table 3. The data reveals that 53% of the population sampled was female and 47% was male. The dominating age range includes age 16 through ages 34.

Table 3: Age and Gender		
Gender	**Response**	**Percentile**
Male	118	47.20
Female	132	52.80
Age	**Response**	
16 - 24	102	40.80
25 - 34	113	45.20
35 - 44	17	6.80
45 - 54	11	4.40
55- 64	5	2.00
65 - Over	2	0.80
Active Age: 16-34 with 86%		

Issue 6: *Who in the family does the participant shop for*?

Most of the consumers stated that they sought to buy household products (electronics, book, clothing…etc.) and other important accessories. Further, a vast majority of the respondents are purchasing product for themselves (64%), whereas, only a small percentage of the products purchased were for the spouse, children, business, and others. Figure 4 shows that there were around 235 out of 250 participants shopping online for themselves. This result may have a significant on the business that focuses on the traditional and family oriented product, specifically, children.

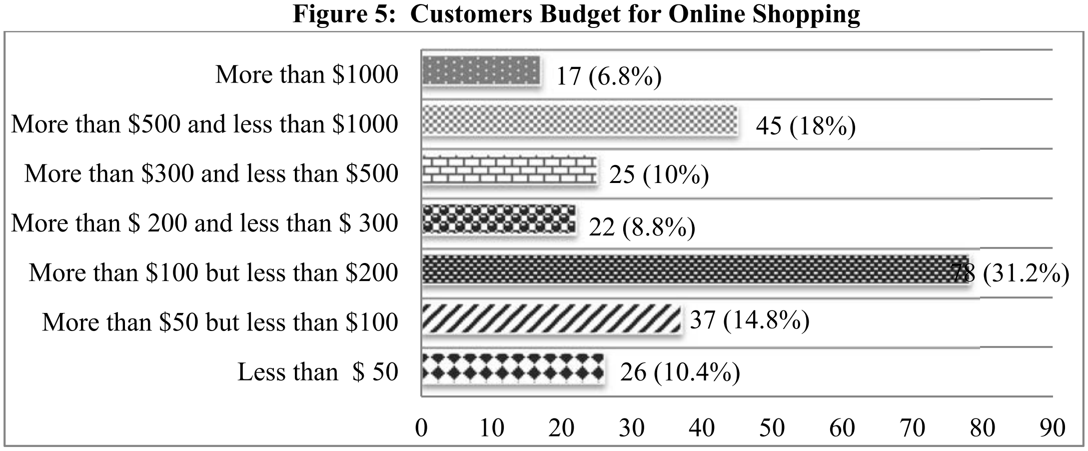
Figure 4: Online Shopping Customer Type



Issue 7: *How much money does the respondent spend when shopping online?*

The amount of money spent while purchasing product with the help of online shopping website varies considerably because of the choices to buy different products at a given time. However, when calculating the weighted average the results reveal that the overall respondents spend between $200 and less than $300. It is interesting to note that this figure could show a bi-modal function, that is, 78 respondents purchase between $100 and $200 dollars, whereas, 45 respondents purchase between $500 and $1000.

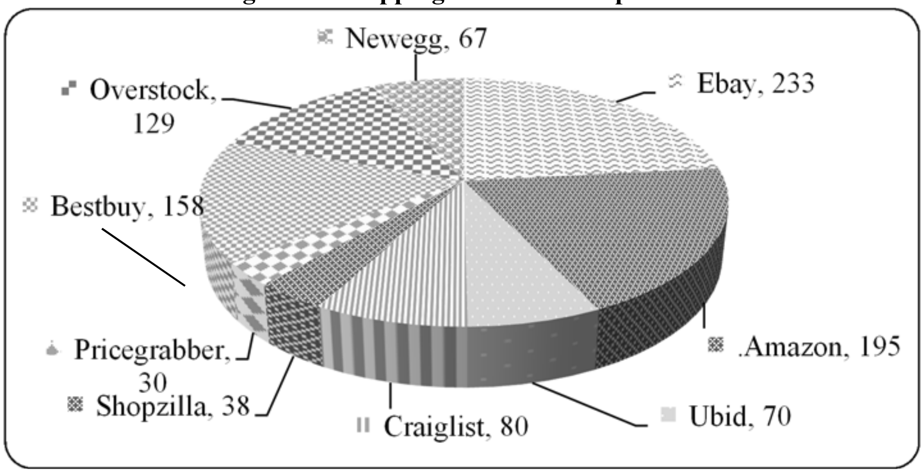
Figure 5: Customers Budget for Online Shopping



Issue 8: *Top three websites among the online shoppers*?

Figure 6 reveals that the top three websites used by the responds were Ebay.com**,** Amazon.com, and Best Buy.com

Figure 6: Shopping Websites Competition



Customers select their website according to their needs. For example, they are purchasing electronics jewelry items from Ebay.com, books from Amazon.com books and CD, movies, and video games and some electronics from Best Buy.com.

This study raises questions about the role of social shopping in decision-making and examines the effects of social shopping motivations and perceptions on consumers' shopping intentions. Perceived values influenced by the two factors of social shopping motivation and credibility perception of the social shopping resource are proposed as antecedents of perceived self-efficacy. The results reveal that social shopper's behavioral intentions are directly affected by perceived values. Overall, the findings support the proposed model in explaining social shopping behavior and its effect on consumer's shopping experience, decision-making, and behavioral intentions.

CONCLUSIONS

Consumers are increasingly making decisions in computer-mediated environments since Web 2.0 has offered a useful and interactive media tool and platform for communication, information search, and shopping. Although websites offer consumers significant amounts of information, the tasks of finding the exact products that meet their needs and making a purchase decision with confidence and credibility can be complicated. The purpose of this research project was to examine the usage of online shopping websites and determine the factors that contribute to the customer decision making process. A number of websites have been assessed to determine their usage, popularity, and preference among the consumers.

A data-driven model was developed and the objective of the project was formulated in term of major issues that are pertaining to online shopping. Surveys and interviews were conducted with 250 participants. The survey method included studying face-to-face interviews, email questionnaires, and social networking questionnaires. The results of the study revealed the following.

Table 4: Summary of Results

Quantitative results	Other Results
24% shop once a month	Security (use of credit card)
72% are not willing to pay more for convenience	Customer support (no direct help)
Average spending (once a month): $150	Risks (may not receive the product)
Active online shopper age range: 16-34	Delivery process (may take longer than expected)
Popular items: Electronics, books and music	Unexpected result (wrong item/quality)
64% participants shop for themselves	Reputation of online company

Implications and Recommendations

The survey and interview that were conducted from participants revealed that there are significant variations in customers' selections. The study also provides useful implications for practitioners in developing and implementing marketing strategies of social shopping applications to boost sales, improve customer loyalty. It is important to enhance user shopping experience into a business strategy plan as a dynamic factor that may differentiate a business from its competitors. As far as future research is concerned, one could investigate different shopping motivation factors based on market segments and discover alternative explanations for the uncertainty reduction and decision making procedure for online shopping.

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BRANDING IMPLICATIONS OF THE RELATIONSHIP BETWEEN HISPANIC FAMILISM AND BRAND RELATED BEHAVIORS: A LATENT VARIABLE MODEL APPROACH

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ABSTRACT

Past research suggests cultural values play an important role in consumer behavior. Of the studies in this domain, many have taken an etic view to understanding this relationship. An etic view emphasizes differences between cultural groups that, although informative at a cross-cultural level, do not address possible individual differences in a behavior within a culture. Conversely, an emic view considers the possible differences in behaviors of individuals within a cultural group. Taking an emic view, the present study defines culture in terms of familism, a Hispanic core cultural value. Using two large and independent samples of U.S. Hispanics, the study takes a latent variable model approach to examine the relationship between familism and brand-related behaviors. Results suggest sound psychometric properties of responses to the familism scale used, that the measured construct varies among individuals, and that familism is predictive of Hispanic consumer behaviors. Branding and targeting implications are suggested.

Key words: core cultural values, familism, Hispanic consumer behavior, brand loyalty

INTRODUCTION

Hispanics have been in what is now the southwestern U.S. since the 1500s (Marin & Marin, 1991; Alonzo, 1998). The growth of this ethnic population has been the result of both a relatively high birth rate and consistent migration and immigration of individuals from other Spanish language countries of origin. This growth and geographic concentration of Hispanics is reinforced by their shared language, religion, and cultural world view. For these reasons it has been noted that Hispanics share more cultural similarities than differences (Webster, 1994).

Today, U.S. Hispanics are the largest ethnic minority group in the U.S. With a current population of over 50 million, Hispanics are expected to triple in size by 2050. The Pew Hispanic Center states that Mexican, Puerto Rican, and Cuban origin Hispanics account for about 78 percent of all U.S. Hispanics. In addition to their size, the U.S. Hispanic population has a considerable amount of purchasing power. The Selig Center suggests it will reach $1.5 trillion by 2015, accounting for about 11% of the total U.S. buying power. Currently, a significant amount of this buying power is concentrated in the states of California ($253 billion), Texas

($175 billion), and Florida ($101 billion). As a testament to the importance of U.S. Hispanics purchasing power, Jeff Humphreys notes it is larger than the entire economies of all but 14 countries in the world. Given these demographics characteristics, brands wishing to remain viable will undoubtedly have to consider how the U.S. Hispanic market fits into their marketing and branding strategies. This, in turn, underscores the importance of continuing to improve our understanding of Hispanic consumer behavior (HCB).

Many studies concerning Hispanic consumer behavior (HCB) have been conducted. One major area of emphasis has been brand loyalty. Understanding brand loyalty for U.S. Hispanics is important, as brand loyalty is essential factor of the long-term success of brands and companies. With this in mind, the goal of the current study is to investigate for U.S. Hispanics the relationship between familism, a Hispanic core cultural value, and consumer behaviors conceptually related, positively or negatively, to branding. Using two independent samples of U.S. Hispanic adults, the current study takes a latent variable approach to understanding how familism is related to the consumer behavior measures used.

The remainder of the manuscript is organized as follows: first, background of the terms Hispanic and ethnicity are noted. Next, the differences between cultural values and core cultural values are presented. This is followed with the identification of Hispanic core cultural values. Next, the conceptual overlap between familism and brand loyalty is suggested. Then a brief review of research on U.S. Hispanics and brand loyalty is given. Finally, hypotheses between familism and brand loyalty related outcomes are presented. Targeting and branding implications for U.S. Hispanics are then presented and discussed.

The Terms Hispanic and Ethnicity In Brief

A common misconception related to the term Hispanic is that it refers to a race of people. To the contrary, the term refers to an ethnicity, defined by the sharing of common cultural values and behaviors (Betancourt & Lopez, 1993; Foster & Martinez, 1995). An ethnic group is comprised of individuals and their descendents who share common cultural values and behaviors, who live outside the ethnic group's geographic region of origin (Cohen, 1978) and in a new cultural context with other ethnic groups (Johnson, 1990). Thus, the term Hispanic is used to refer to individuals who trace their origins to any of the Spanish-speaking nations of the world (Flores-Hughes, 1996). Hispanic ethnicity has been conceptualized and operationalized as a psychological construct comprised of two primary components, ethnic identity and cultural value(s) (e.g. Isajiw, 1974; Villarreal, 2004; Villarreal & Peterson, 2008, 2009). Of these two definitional components, cultural value(s) is the primary focus of the present study. Specifically, the cultural value component studied here is more specifically defined as familism, a core cultural value for U.S. Hispanics (Villarreal, Blozis, & Widaman, 2005).

CULTURAL VALUES AND CORE CULTURAL VALUES

Culture can be considered from either an etic or emic approach. Studies using an etic approach generally "search for variables and constructs common to all cultures that can be directly compared in order to discover how…cultures are different…" (Luna and Gupta, 2001, pg. 46). To date, most of the cultural research concerning consumer behavior falls within the etic approach (Lalwani, Shrum, & Chiu, 2009; Shavitt et al., 2006). Further, research suggests that a majority of these studies have defined culture as cultural values (Luna and Gupta, 2001; Park and Rabolt 2009). In these studies cultural values have been operationalized using Hofstede's cultural orientations, namely individualism-collectivism (de Mooij and Hofstede, 2011; Lalwani et al., 2009, Oyserman, 2006; Yoo, Donthu, & Lenartowicz, 20011). Although a benefit of the etic approach is that it allows for informative, between-group comparisons it has important limitations. One is that it assumes all individuals within a specific group are equal with regard to the level of possession of the cultural value being measured. This assumption, in turn, ignores the possible effects of individual differences on the outcome measures. The assumption that all members of a group possess cultural values at the same level is not tenable, as cultural values do vary across individuals of the same ethnic or cultural group (Duck, 1994) and this difference may have an effect on behavioral outcomes (Villarreal & Peterson, 2008; 2009). The emic approach, on the other hand, is focused on that which is culture specific. Emic approaches "do not intend to directly compare two or more differing cultures, but promote an…understanding of the culture of study…" (Luna & Gupta, 2001, pg. 46). Unlike an etic approach, this approach allows for within-group comparisons by understanding how individual variation in the level of possession of a value might be related to specific behaviors. An emic approach would define culture in culture specific terms such as core cultural value(s) (Smolicz, 1979). Even though this emic conceptualization of culture has been around for many years, Kagitcibasi and Berry (1989) note the concept has not been used in consumer behavior studies. Despite this, understanding culture-specific value measures have been deemed important and worthy of exploration (Bond & Smith 1996; De Mooij 1998; Kagitcibasi & Berry 1989; Kim, Atkinson, & Yang, 1999).

Although a core cultural value is a culture specific conceptualization of a cultural value, there are differences between the two. Research suggests a core cultural value differs from a cultural value in the following ways: 1) they are the most fundamental and enduring aspects of culture, being specific to a particular culture, and distinguishing one culture from another (Smolicz, 1979); 2) they provide a link between a group's culture and social system; 3) they are what distinguishes ethnic communities; 4) they are taken for granted and accepted almost unquestioningly (White, 1968); 5) they are transferred through socialization, starting at the pre-language age of infants and almost never change (De Mooij, 1998; Shigaki, 1987); and 6) they are "internalized, such that they travel with people into new or changed societal contexts" (Greenfield, 1994, p. 31). The above suggests core cultural values have important characteristics that make them especially useful in defining culture. As such, core cultural values can be used to consider the relationship between culture and consumer behaviors.

U.S. Hispanic Core Cultural Values

Despite U.S. Hispanic differences in countries-of-origin, research suggests they share more similarities as a cultural group than differences (Loza, 1988; Marin & Marin, 1991; Webster, 1994; Villarreal, Blozis, & Widaman, 2005). Importantly, these shared similarities include a number of identified core cultural values (Marin & Marin, 1991), including machismo, fatalism, simpatia, respeto (respect) and familism (Marin & Marin, 1991). Of these, familism was one of the first identified and has been studied most often (for a review see Villarreal, Blozis, & Widaman, 2005). As a result, the psychometric properties of familism are better understood than other identified U.S. Hispanic core cultural values (Ferrari, 2002; Steidel & Contreras, 2003; Villarreal, Blozis, & Widaman, 2005). For example, research on familism suggests it is invariant for U.S. Hispanics despite country of origin and language dominance (Villarreal, Blozis, & Widaman, 2005). Such results reinforce the contention that familism is a Hispanic core cultural value and is important in measuring Hispanic ethnicity (Villarreal, 2004, Villarreal & Peterson, 2008; 2009).

Familism is defined as a strong identification with and attachment to the nuclear and extended families, with strong feelings of loyalty, commitment, reciprocity, and solidarity among members of the same family (Lim et al., 1996; Marin and Marin, 1991). In addition, research suggests familism is predictive of positive outcomes for Hispanics in multiple domains of research. For example, research has found it has a positive effect on psychological outcomes (e.g. German, Gonzales, & Dumka, 2009; Losada et al., 2010), care giving (Losada, et. al., 2006), and protecting Hispanic adolescents from the deviant behaviors of peers (German, Gonzales, & Dumka, 2009).

Despite being a universal concept, definitions and views of family are culture-specific (e.g., Keefe, Padilla, & Carlos, 1979; Lim et al. 1996; Ng, Phillips, & Lee 2002; Valenzuela & Dornbusch, 1994; Yeh & Bedford, 2003). For Hispanics, family is defined in terms of nuclear, extended, and fictive family, where loyalty to the family is nurtured and individuals are raised to be dependent on the family (e.g., Sabogal, Marin, Otero-Sabogal, & Marin, 1987; Villarreal, Blozis, & Widaman, 2005). For non-Hispanic whites, the concept of family is more commonly defined in terms of immediate and blood related family (Villarreal, Blozis, and Widaman, 2005). In addition, the non-Hispanic white view of family is founded on the concept of independence, where children are reared to learn how to become independent of the family (Fuligni, Teseng, & Lam, 1999; Harrison et al., 1990). For Asian Americans, familism is defined in terms of filial piety (Cowgill, 1986; Unger et al., 2002; Villarreal, Blozis, & Widaman, 2005). That is, Asian familism is based on a child's dutiful obligation toward parents (Ng et al., 2002), suggesting family behaviors are more strongly driven by cultural expectations.

U.S. Hispanics and Brand Loyalty

Hispanic consumer behavior studies have been conducted since the mid 1970s (for a general review see Villarreal & Peterson, 2008, 2009). One of the primary topics of interest in HCB has been whether Hispanics are or are not brand loyal, as results have been inconsistent across studies. For example, early studies focusing on between-group comparisons (Hispanics and non-Hispanics) found inconsistent results, with some suggesting Hispanics were brand loyal (e.g., Guernica, 1982; Holtzman, Diaz-Guerrero, & Swartz, 1975; Segal & Sosa,1983; Yankelovich, Skelly, &White,1984) and others did not (e.g., Saegert, Hoover, & Hilger, 1985; Wilkes & Valencia, 1986). Other studies took a within-group approach by comparing Hispanics on their relative strength of ethnic identity, comparing those with higher levels of ethnic identity to those with lower levels of ethnic identity. Of these, results suggested Hispanics with higher levels of ethnic identity were brand loyal as compared to those with lower levels (e.g., Deshpande, Hoyer & Donthu, 1986; Donthu & Cherian, 1992). Results from more recent within-Hispanic studies have supported the brand loyalty contention (Villarreal, Blozis, & Jeong, 2005; Villarreal & Peterson, 2009). The present study fits within the more recent line of research on Hispanic brand loyalty, but it does so in a different manner by focusing on how variation in the level of a core cultural value is related to brand-related-behaviors.

Conceptual Relationship between Hispanic Familism and Brand Loyalty

In general terms, a relationship between familism and brand loyalty is supported by Henry (1976) who suggested that culture, as defined by cultural values, is useful within the marketing concept. Specific to the present study, there appears to be important conceptual overlap between the concepts of familism and brand loyalty that suggest a possible relationship. For example, familism can be characterized by feelings of loyalty, commitment, and trust. In addition, part of a Hispanic individual's sense of self is based on their identification with their immediate family. Similarly, the psychological characteristics of brand loyalty include positive attitudes (Raju, 1980), commitment (Jacoby & Chestnut, 1974), and trust (Delgado-Ballester & Munuera-Aleman, 2001). Similar to familism, brands may also be a part of an individual's sense of identity (Chaplin & John, 2005; Villarreal, Blozis, & Jeong, 2008). The conceptual overlap in these characteristics suggests familism may be instrumental in predicting Hispanic consumer behavior within the context of the present study.

HYPOTHESES

For Sample 1, the two brand loyalty related scales considered are brand switching (negatively related) and prestige sensitivity (positively related). Brand switching has been considered the "counterpart to brand loyalty" (Raju, 1984, pg. 201) and has been defined as the tendency of a consumer to purchase different brands from the previous ones purchased (Aroean, 2012). As such, brand switching may be reflective of a lack of brand loyalty (Lam et al., 2010). Thus, hypothesis one is:

> *H1: There will be no significant relationship between familism and brand switching.*

Prestige sensitivity is a concept that may arguably be reflective of brand loyalty (Kwak & Sojka, 2010). It is defined as the favorable perceptions of the price cue based on feelings of prominence and status that higher prices signal to other people about the purchaser (Lichtenstein et al., 1993 pg. 236). Prestige sensitivity is related to brand loyalty given that branded products charge a price premium. Previous research suggests brand loyal consumers are less likely to be price sensitive and are more willing to pay higher prices (Krishnamurthi & Raj, 1991). In addition, branded products can and do act as cues for others about the personal character of consumers' who purchase such brands (Kwak & Sojka, 2010). Thus, a significant effect of familism on prestige sensitivity is expected. Hypothesis two is:

> *H2: Higher levels of familism will be positively and significantly related to higherlevels of prestige sensitivity.*

For Sample 2, three brand loyalty related measures are used. They are price-quality schema (positively related), sale proneness and coupon proneness (both negatively related). Coupon proneness is defined as the increased likelihood of responding to a purchase offer because the coupon positively affects purchase evaluations (Lichtenstein et al., 1990). Research suggests that consumers who are prone to coupon use are less likely to be brand loyal (Blattberg & Neslin, 1990; Donthu & Cherian, 1992; Garretson, Fischer, & Burton, 2002). Hypothesis three is:

> *H3: There will be significant and negative relationship between familism and coupon proneness.*

Sale proneness is considered antithetical to brand loyalty (Garretson, Fischer, & Burton, 2002). Lichtenstein et al. (1993) define sale proneness as "an increased propensity to respond to a purchase offer because the sale form in which the price is presented positively affects purchase evaluations" (pg. 235). One benefit of branding is that it protects brands from price competition (Reichheld & Sasser, 1990). Hypothesis four is:

> *H4: There will be a significant and negative relationship between familism and sale proneness.*

Finally, Lichtenstein et al. (1993) define price-quality schema as "the generalized belief across product categories that the level of the price cue is related positively to the quality level of the product" (pg. 236). The premise underlying the price-quality relationship is that price is a correlate of quality (Erickson & Johansson, 1985). The relationship of price-quality schema to brand loyalty is based on the assumption the brand's price premium is an implicit predictor of the brand's quality. Thus, consumers high on price-quality schema may be more likely to be brand loyal (Miyazaki et al., 2005; Völckner, 2008). Hypothesis five is:

H5: Higher levels of familism will be positively and significantly related to higherlevels of price-quality schema.

METHOD

Sample 1

Data Collection Procedures

Respondents were randomly selected from across the 9 U.S. Census regions using random digit dialing and a surname list. The response rate for was approximately 82%. Using professional bilingual researchers, responses were collected via an approximately 40 minute telephone interview. Based on each respondent's language preference, all interviews were conducted in either Spanish or English. All scale items were taken from a larger study that contained questions pertaining to other psychological and consumer behavior concepts.

Sample. The *s*ample was comprised of 485 U.S. Hispanic adults (49.9% female) between the ages of 18 and 65 years (M = 37.9), with about 37% preferring to conduct the interview in Spanish. Most were employed full-time (53.6%), while 12% were employed part time, and 29.3% reported being unemployed. Fifty-five percent of the sample reported either having finished or had some standard educational experience. Approximately 33% of the sample reported completing or having some college to post graduate work. Finally, country of origin distribution for the sample closely matched that of the U.S. Census (see Table 1).

Table 1: Distribution of Country of Origin

	Study Sample		U.S. Census
Country of Origin	Frequency	Percentage	Percentage
Mexico	451	59.2	64.9
Puerto Rico	73	9.6	9.2
Cuba	28	3.7	3.7
El Salvador	36	4.7	3.6
Dominican	23	3.0	3.0

Table 1: Distribution of Country of Origin			
	Study Sample		U.S. Census
Country of Origin	Frequency	Percentage	Percentage
Guatemala	27	3.5	2.2
Colombia	17	2.2	1.9
Honduras	12	1.6	1.4
Ecuador	13	1.7	1.3
Peru	3	0.4	1.2

MEASURES

Table 2: Factor Analysis Results: Pan-Hispanic Familism						
	Sample 1			Sample 2		
Items	Loading	RMSEA	Cronbach's Alpha	Loading	RMSEA	Cronbach's Alpha
My family is always there for me in times of need.	.739	.03	.80	.914	.07	.90
I am proud of my family.	.854			.876		
I cherish the time I spend with my family.	.697			.875		
I know my family has my best interests in mind.	.851			.863		
My family members and I share similar values and beliefs.	.704			.762		

Familism

Familism was measured using the 5-item Pan-Hispanic Familism (PHF) scale (Villarreal, 2004). Responses were measured using a 10-point ordinal response scale scored from 1 (strongly disagree) to 10 (strongly agree) with higher scores indicating a stronger endorsement of the respective familism items. The scale items are provided in the first column of Table 2.

Consumer Behavior Measures.

The brand switching scale was comprised of 5 items from Raju (1984), and the prestige sensitivity scale was measured using 4 items from Lichtenstein et al. (1993). Responses for all scales were measured using a 10-point ordinal scale scored from 1 (strongly disagree) to 10 (strongly agree) with higher scores indicating a stronger endorsement of the items on the respective measures. All scale items are presented in column 1 of Table 3.

Table 3: Study 1 Consumer Behavior Items			
Brand Switching	Loading (S.E.)	RMSEA	Cronbach's Alpha
I enjoy sampling different brands of commonplace products for the sake of comparison.	.708(.029)	.06	.73
If I like a brand, I rarely switch from it just to try something different.	.479(.038)		
I get bored with buying the same brands even if they are good.	.673(.031)		
A lot of the time I feel the urge to buy something really different from the brands I usually buy.	.758(.030)		
I enjoy exploring several different alternatives or brands while shopping.	.646(.032)		
Prestige Sensitivity			
People notice when you buy the most expensive brand of a product.	.647(.039)	.04	.72
It says something to people when you buy the high priced version of a product.	.705(.036)		
Your friends will think you are cheap if you consistently buy the lowest priced version of a product.	.723(.036)		
I think others make judgments about me by the kinds of products and brands I buy.	.738(.032)		

DATA ANALYSIS

Exploratory factor analysis (EFA) of responses to the consumer behavior scales was conducted to assess the factor structure of each measure. For hypotheses 1and 2, assessment of the relationships between PHF and brand switching and prestige sensitivity was done using a structural equation model in which latent measures of brand loyalty related consumer behaviors were regressed on the latent measure of PHF. All analyses were conducted using Mplus version 6.1 (Muthén and Muthén 1998-2010).

RESULTS

Exploratory factor analysis of responses to the PHF scale was performed. Factor loadings, the root mean squared error of approximation (RMSEA), and Cronbach's alpha are given in Table 2, columns 2, 3, and 4, respectively. Factor loadings were all large relative to their standard errors. Cronbach's alpha and the index of model fit for a single factor were reflective of a well-fitting model. Overall, the results supported a single factor to account for variation in the set of responses to the scale items. Exploratory factor analysis was then conducted on responses to the consumer behavior scales prior to assessing the relationship between PHF and consumer behavior. Estimated factor loadings, RMSEA and Cronbach's Alpha are presented in columns 2, 3, and 4, respectively, of Table 3. Results suggest good model fit and reliabilities for the sets of responses.

Next, the relationships between PHF and consumer behavior scales were studied using structural equation modeling. The estimated coefficients for the regression of latent measures of the respective consumer behaviors on the latent measure of PHF are provided in column 2 of Table 4. Results suggest support for H1, as PHF was not associated with brand switching. Results also provide support for H2, as PHF was positively and significantly associated with prestige sensitivity.

Table 4: Structural Equation Model of Consumer Behavior Scales On Pan-Hispanic Familism

Study 1 Scales	*p*	MLE(SE)		
Brand Switching	.328	-.082(.083)		
Prestige Sensitivity	.040	.080(.046)		
Study 2 Scales			*p*	MLE(SE)
Coupon Proneness			.003	.141(.051)
Sale Proneness			.000	.236(.040)
Price-Quality Schema			.031	.089(.048)

DISCUSSION

Behavioral brand loyalty is characterized as the repeat purchase of a particular brand (Hammond, East, & Ehrenberg, 1996) and is considered an important aspect of overall brand loyalty (Roy, 2011). From this perspective, brand switching is a purchase behavior that conceptually is negatively related to behavioral brand loyalty. Thus, brand switching is not considered a behavior of brand loyal consumers (Lam et al., 2010). As a result, the lack of a significant relationship between brand switching and PHF may provide indirect support for the contention that U.S. Hispanics are brand loyal.

Prestige sensitivity is a measure of one’s desire for the status provided through the purchase of prestige products and is also associated with brand preferences (Casidy, 2012; Mulyanegara & Tsarenko, 2009). Branded products tend to be higher priced than non-branded products and provide both a sense of prestige for consumers who buy them as well as a being a cue to others about the consumer who buys such products (Jones & Davis, 1965; Kwak & Sojka, 2010; Lichtenstein, Ridgeway, & Netemeyer, 1993). Thus, for H2, the significant and positive relationship between familism and prestige sensitivity may provide support for the contention that Hispanics are brand loyal. The result, however, provides more detailed information as to which type of Hispanics might be brand loyal. That is, results suggest Hispanics with higher levels of familism may be more brand loyal than Hispanics with lower levels of familism.

Overall, results for sample 1 suggest support for the contention that Hispanics are brand loyal. A strength in this information comes from the fact that two scales conceptually related to brand loyalty, one positively and one negatively, were used in understanding the impact of familism on Hispanic consumer behavior. The current study provides a clearer, within-in group description by suggesting Hispanics with higher levels of familism are more brand loyal than

Hispanics lower on familism. The findings may have important targeting and branding implications for U.S. Hispanics. That is, instead of assuming all Hispanics are brand loyal, the current results provide a more detailed look at how the level of familism is related to Hispanic consumer behavior. This within-group behavioral difference may help manufacturers' better target Hispanics with branding tactics. For example, for Hispanic with higher levels of familism, brands can build and/or reinforce the brand as part of the Hispanic consumers' family. This can be achieved by communications that are founded on the overlapping characteristics of commitment, trust, and loyalty. This orientation implies the brand is an extension of the Hispanic consumer's consumption life and family. This, in turn, implies a level of respect by the brand for the Hispanic customer. This type of orientation is not only reflective of current marketing thinking, but is directly in line with the concept of Hispanic familism. In addition, brands can deepen the customer-brand orientation by connecting the brand to the Hispanic consumer's role in caring for their immediate family. For example, in the context of a Hispanic adult caring for an elderly parent or child/children, the use of branded products can be an expression of respect and love the caretaker has for her/his family members. This brand-as-family orientation may go a long way in keeping Hispanic consumers loyal to a particular brand.

Sample 2

Data Collection Procedures.

Respondents were selected from a large western public university. Participants received research credit in exchange for participating. Responses were collected via an English language online survey that took approximately 30 minutes to complete. The items studied here were part of a larger survey in which other questions pertaining to other aspects of psychology and consumer behavior were asked.

*Sample***.** The sample was comprised of 427 university students (72.2% female) who ranged in age from 18 to 31 years. Approximately 75.5% were between the ages of 18 and 20, and those between 21and 23 years of age accounted for approximately 20% of the sample.

Measures.

Familism. Familism was measured using the same scale as in Sample 1.

Consumer Behavior. Three branding related consumer behavior scales were used for Sample 2. They were: coupon proneness, sale proneness and price-quality schema. All scales were adapted from Lichtenstein, Ridgway, and Netemeyer (1993). Coupon proneness was measured using 5 items, while sale proneness and price-quality schema were measured using 3 items each. Responses were measured using a 10-point ordinal response scale scored from 1 (strongly disagree) to 10 (strongly agree) with higher scores indicating greater levels of the respective measures. Table 5 provides the scale items for each of the measures.

DATA ANALYSIS

Data analytic techniques were the same as in Sample 1.

Table 5: Factor Analysis Results

Coupon Proneness	Loading (S.E.)	RMSEA	Cronbach's Alpha
Redeeming coupons makes me feel good.	.872(.020)	.05	.90
I enjoy clipping coupons out of the newspaper.	.682(.035)		
When I use coupons I feel that I am getting a good deal.	.745(.031)		
I enjoy using coupons regardless of the amount I save by doing so.	.739(.036)		
Beyond the money I save redeeming coupons gives me a sense of joy.	.852(.023)		
Price-Quality Schema			
Generally speaking the higher the price of the product the higher the quality.	.860(.031)	.00	.85
The price of a product is a good indicator of its quality.	.872(.026)		
You always have to pay a bit more for the best.	.683(.042)		
Sale Proneness			
I have favorite brands but most of the time I buy the brand that's on sale.	.705(.043)	.00	.82
I am more likely to buy brands that are on sale.	.775(.043)		
Compared to most people I am more likely to buy brands that are on special sale.	.856(.039)		

RESULTS

The factor loadings for the Pan-Hispanic Familism scale were all large relative to their standard errors (see Table 2, column 5). Cronbach's alpha and the RMSEA for a single factor were also reasonable for the current sample (see Table 2 columns 6 and 7). Overall, factor analysis results supported a single factor to explain the set of responses to the scale items.

Exploratory factor analysis was conducted on responses to the consumer behavior scales prior to assessing the relationship between PHF and consumer behavior. The estimated factor loadings, RMSEA, and Cronbach's alpha are presented in Table 5, columns 2, 3, and 4, respectively. Results suggest a well-fitting model and reasonable reliabilities for each set of responses. Next, the relationships between PHF and consumer behavior scales were studied using structural equation modeling. The estimated coefficients for the regression of latent measures of respective consumer behavior scales on the latent measure of PHF are presented in Table 4, column 3. Results suggest that PHF was significantly and positively associated with coupon proneness, providing no support for H3. Results also suggested a significant and positive relationship between PHF and sale proneness, also providing no support for H4. Finally, the relationship between PHF and price-quality schema was significant and positive, supporting H5

DISCUSSION

For the college sample, results suggest a different relationship between PHF and the consumer behavior measures. First, PHF was positively and significantly related to coupon proneness and sale proneness, implying participants with higher levels of familism were more likely to use coupons and purchase brands on sale. These results are counter to the contention that Hispanics are brand loyal, as research suggests consumers seeking price deals via coupons or sales are less brand loyal (Blattberg & Neslin, 1990; Garretson et al., 2002). Overall, these results suggest adult Hispanic college students may not be brand loyal. Alternatively, these results might imply the importance of income to the expression of brand loyalty. That is, college is generally a time when students' have less discretionary income and therefore may not be able to express brand loyalty through purchase behavior. Further still, Hispanic college students may be perfectly comfortable engaging in contradictory behaviors, suggesting brand loyalty for them is contextual. Consistent with the brand loyalty contention, H5 suggested familism was positively and significantly related to price-quality schema. Price-quality schema may be related to brand loyalty, as branded products do charge a price premium for which consumers' expect a given level of quality (Miyazaki et al., 2005; Völckner, 2008). Results suggest Hispanic college students with high levels of familism more strongly believe in the relationship between price and quality.

Although the results for Sample 2 contradict each other, brands' can still use this information for Hispanic college students in general. Assuming college students use coupons and buy brands on sale due to economic realities, manufacturers should take a long-term perspective by reinforcing the relationship between their brand's price and its quality. This long-term approach may result in brand loyalty once Hispanic college students' income situation improves. An alternative approach would be to consider promoting the brand's lower priced/optioned products. Offering products that meet the price, functional, and psychological needs of Hispanic college students' would be a way of bringing them into the brand family. Hispanic college students could then move up a brand's product line once their economic situation improves. In terms of familism, brands should focus on Hispanic college students with higher levels of it. As in the adult non-college sample, brands can capitalize on this by developing messages that tap into the conceptual overlap between familism and brand loyalty while focusing on the brand's price and quality relationship. An important aspect of such a message is the explanation of how the price-quality relationship relates to the functional and psychological needs of Hispanic college students.

Overall, the counterintuitive results for Sample 2 suggest that Hispanic college students may be in two minds about brand loyalty. That is, on one hand, they do believe in the price-quality relationship, which is good from a branding perspective. On the other hand, however, Hispanic college students tend to have their purchases driven by coupons and sale price, which is in contrast to brand loyalty. Thus, an important question concerns the drivers of these inconsistent results. Is it life stage, income level, brand characteristics, or some combination of these?

GENERAL DISCUSSION

Previous studies have suggested the importance of culture in understanding consumer behavior. The present study took an emic approach by considering the role of familism, a U.S. Hispanic core cultural value, in relation to a number of brand loyalty related measures. There are a number of benefits of this approach. First, it is the first known study to consider the effect of familism alone on Hispanic consumer behaviors. Second, familism allowed for studying within-group differences. That is, it suggested the importance of understanding how variation in familism for the samples related to the consumer behavior outcomes. This approach provided a more detailed picture of how familism is related to Hispanic consumer behavior. Understanding this variation can be used to provide more detailed approaches to targeting and branding within the US Hispanic market.

In terms of brand loyalty, the present study suggests a complex relationship between familism and life stage. That is, for adult Hispanics not in college, familism was indeed related to behaviors suggesting brand loyalty. For Hispanic college students, however, results contradicted each other. It’s clear Hispanic college students understand the importance of price and prestige, but they may simply not have the income to express it.

Limitations

Although care was taken in conducting the present study, there are some limitations that should be pointed out. First, only one cultural group was studied. The understanding of the role of core cultural values would benefit from extending this study to other cultural groups. Along this line, only one core cultural value was studied, namely familism. Understanding the role of core cultural values in consumer behavior may be improved with the consideration of other core cultural values. Considering other outcome variables could also add to the understanding of the relationship between core cultural values and consumer behavior. For example, more brand loyalty specific scales could be considered.

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CONSUMER MARKETING ORIENTATIONS: DOES YOUR CUSTOMER WANT A RELATIONSHIP?

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ABSTRACT

The marketing of consumer services is continuously evolving, with the proliferation of the internet and social media, relationship marketing has been thrust into the spotlight. With the age of technology and the ease of data collection has come the ability for a firm to be proactive in motivating and servicing consumer relationships. There is a growing emphasis focuses on fostering long-term relationships with consumers (Payne, 1995). Relationship marketing has been said to increase customer loyalty, resulting in increased income to the firm. Authors have written glowing reviews of how relationship marketing provides companies with opportunities for long-term growth, leading firms to believe that it is necessary to build a strong relationship with each and every consumer (e.g. Peppers & Rogers 1998; Steinberg 1999).

PURPOSE OF STUDY

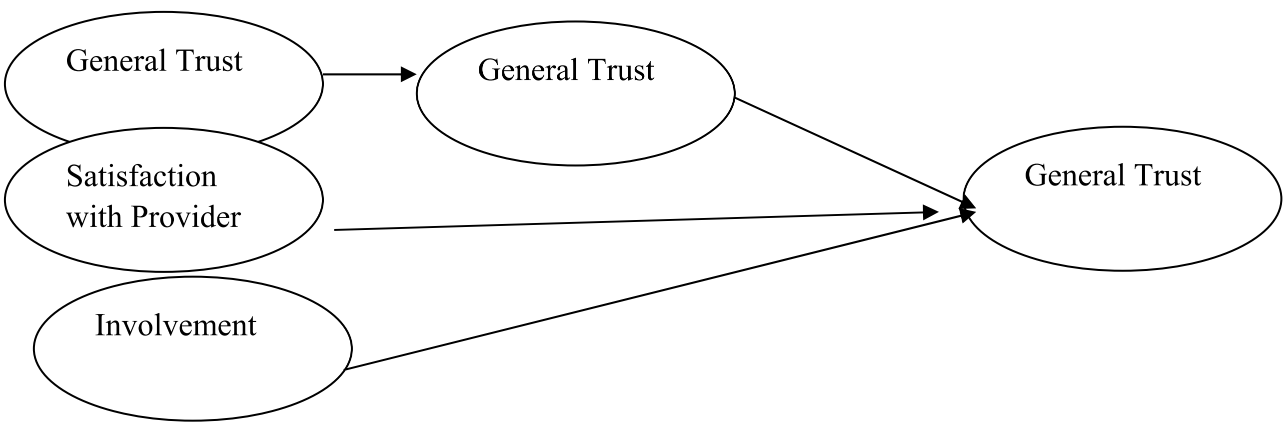
In this study consumer orientations ranging from transactional to relational are explored. The consumer referred to in this study is what Stern (1997, p.3) calls the 'personal consumer' as opposed to the business-to-business customer. The purpose of this study is to aid firms in determining their consumers' orientations prior to deciding whether to engage in transactional marketing or relationship marketing. The constructs necessary for these strategies are defined, and their relationships to the proposed marketing strategies are discussed. This study is based on the assumption that consumers' orientations differ, and range from transactional to relational.

Not all consumers desire a relationship with a firm, and it is not necessary for a firm to engage in long-term relationship building with all of its consumers. Rosenfield(1999) suggests that consumers could conceivably become alienated by a firm's attempt to force relationships upon them by use of inappropriate marketing strategies. This paperalso assumes that consumers require different levels of relationships with different firms, depending on the service provided by a particular firm. In Relationship Marketing Gordon (1988) argues that he has different relationship expectations when buying detergent from Procter and Gamble than he does when purchasing a car from Ford. In reference to Procter and Gamble he expects a detergent that will clean clothes at a fair price. With Ford, he has a higher set of expectations, including product features and service tailored to fit his needs. A firm must understand the relationship in the context of its consumers' expectations in order to implement an appropriate marketing strategy.

BRIEF OVERVIEW OF MODEL

The model shown in figure 1 is designed to help determine consumers receptiveness to relationship marketing. The constructs used in this model include involvement, satisfaction, trust and commitment. Involvement is effective in predicting short-term use of a service provider. This study hypothesizes that a consumer with a high level of enduring involvement will be more responsive to relationship marketing. The literature points out that some degree of underlying satisfaction must be present in order for a consumer to engage in a continued relationship with a service provider. However this study suggests that given this basic level of satisfaction, a consumer concerned solely with obtaining higher levels of satisfaction is more likely to have a transactional orientation, whereas a consumer who puts more emphasis on trust will have a relational orientation. Additionally, the literature links trust to commitment (Cox, 1995; Morgan and Hunt, 1994). Based on this information , it is hypothesized that a consumer who rates overall trust as an important factor in a provider relationship will be more prone to psychologically commit to doing repeat business with a service provider and will be more receptive to relationship marketing.

CONSTRUCT MODEL



RELATIONSHIP MARKETING

Relationship marketing is gaining support in this new era of marketing and technology. Firms realize that customers can no longer be easily segmented; customers must instead be considered on an individual basis. Relationship marketing helps foster this focus on the individual consumer by creating value specific to the individual (Gordon, 1998, p.9). The objective of relationship marketing is to create long-term profitable relationships with a firm's customer base. This is accomplished through an open line of one-to-one communication between representatives of the firm and the customer. There are several preconditions that should exist for relationship marketing to be beneficial to both the firm and the consumer. These preconditions require that each customer desires a unique solution, perceives this as having a value, and desires an ongoing relationship with the firm. It is also necessary that the firm be able to profit from providing this solution through higher prices and be capable of accommodating its customers' preferences. It these preconditions are met, the focus on long term relationships should achieve the goal of increased customer retention (Gordon, 1998).

Dwyer, Schurr and Oh (1987) identify different levels for the relationship between the customer and the firm. The continuum of relationships ranges from relational to transactional. These levels of orientation range from a highly relational oriented consumer to a transactional oriented consumer. Woodside, Wilson and Milner (1990) describe a high relational consumer as one who desires a long-term relationship with the firm. He displays commitment to the firm, and is an ideal candidate for a relationship marketing strategy.

However, a transactional oriented consumer is not interested in the social context of the relationship. The transactional consumer evaluates a specific interaction with the firm to develop his overall satisfaction. He does not have any commitment to the firm and is mainly concerned with customer satisfaction for that given transaction. His behavior is mainly predicted by overall satisfaction. Garbarino and Johnson state that "For the low relational consumers, overall satisfaction is the primary mediating construct between the component attitudes and future intentions." (1999, p.1). The elements necessary to solidify and maintain a relationship are dependent upon the level of the relationship (Newell1997). These elements of relationship marketing are based on the principles of trust and commitment. Theses elements are maximized as a consumer reaches higher levels of loyalty (Morgan and Hunt, 1994).

Customer Retention

The goal of relationship marketing is to achieve customer retention. Customer retention has strong economic ramifications for a firm, in some cases a five percent increase in customer retention can result in an increase, in a firms profit, of up to eighty-five percent (Nicastro, 1999). Customer retention is also considered to be a more cost-effective strategy than prospecting for new customers. The benefits of customer retention include both revenue growth and cost savings. Revenue growth is a direct result of the expected cash flow over a consumer's lifetime. The longer a consumer stays loyal to a firm, the greater his value to the company, resulting in increased revenues from price premiums, referrals, increased purchase activity and profits from reduced operation costs (Reichheld 1996). Cost savings are also included in the total profits, Reichheld (1996, p.132) pointed out in the Quest for Loyalty that in most industries, "as purchases rise, operating costs decline." These cost savings that come from maintaining existing customers rather than recruiting a new customer, include items such as reduced advertising and promotion costs. The lure of increased revenues and reduced operating costs has led many companies to implement a relationship marketing strategy, with a goal of customer retention. However, one must consider the possibility that different situations exist in which employing a relationship marketing strategy would not be prudent.

TRANSACTIONAL MARKETING

Barton (1999) explores the possibility that not all consumers are willing to engage in a relationship with the firms that they do business with. Levinstein goes even further by stating that:

> "The current tendency of American business to establish intimate relationships with customers has a down side, for not every customer want to take on the obligations of a relationship partner. The nature of the service situation and the consumer predilection for (or aversion to) intimacy are considered interwoven. This implication that in some situations, for some consumers, and at sometimes an intimate relationship is to be avoided, not sought after." (1966, p. 12, S.I.C.)

A firm needs to realize that not all of its consumers will accept the notion of building relationships, and will not respond to relationship marketing. Dwyer, Schurr and Oh (1997) refer to consumers' orientations as ranging from relational to transactional. The transactionally oriented consumer is described differently from the relationally oriented consumer. As previously observed by Woodside, Wilson, and Milner (1990) a transactionally oriented consumer is not interested in a relationship with the firm, but evaluates the firms' performance based on his satisfaction, in reference to his transactions with the firm. He exhibits no loyalty or commitment to the firm and concentrates primarily on his satisfaction. Satisfaction is the mediating construct between the consumer's attitude his future purchase intentions (Cox, 1995). Consumers with a transactional orientation are more apt to respond to a transactional marketing strategy, which according to Chrsitopher, Payne & Ballantyne (1991), emphasizes the individual transaction, product features, a short time scale, limited customer commitment and moderate customer contact.

Time Consideration

The same elements of limited customer commitment and moderate customer contact are also appealing to consumers who view their time spent engaging in a transaction as part of the consideration in the transaction. Rosenfield (1996, p.6) argues that relationships require time and energy and some of today's consumers are stressed-out and over-worked, leaving them with neither the time nor energy. These consumers have no desire to "work at maintaining a relationship with a service provider." Steinberg (1999) suggests that transactional marketing is appealing to consumers who desire to be rewarded with simpler mechanisms that don't make demands on their time.

Involvement

When determining a consumer's orientation, the consumer's source and level of involvement should be considered. Blythe (1997) describes involvement as a consumer's perception of a product to be self-relevant. Sources of involvement include both situational (product focused) involvement and enduring (personal focused) involvement. Situational involvement is transitory and characterized by immediacy and functionality, such as the need to rent a hotel room for the night. Enduring involvement is permanent in nature and exhibits an intrinsic source of self-relevance (Houston and Walker, 1997). The higher a consumer's level of involvement, the stronger the consumer's level of commitment (Pritchard, Havitz and Howard, 1999). When assessing a consumer's level of involvement, the marketer must consider the source of the involvement. Blythe suggests:"High product involvement will come about if the consumer feels that the product attributes are strongly linked to end goals or values; lower levels of involvement occur if attributes only link to function and lower levels if attributes are irrelevant to consequences." (1997, p.138)

Assael (1984) asserts that enduring involvement has been shown to be a precondition to loyalty. This was reaffirmed in a study by Se-Hyuk, in which consumers rating high on enduring involvement also rated high on loyalty, suggesting that involvement serves as a precursor to loyalty and can be used in predicting short-term use of a service provider/product (1996). A better understanding of a consumer's involvement may shed light on his orientation, if both the source of involvement and the degree of involvement are taken into consideration.

Trust

The level of trust is an important factor in distinguishing relationally oriented consumers from transactionally oriented consumers. Berry (1995) suggests that trust is considered a necessary ingredient for successful relationships. Morgan and Hunt (1994, p.23) define trust as the perception of "confidence in the exchange partners reliability and integrity. Trust consists of three components: interdependence, a coping mechanism, and expectations. First, there needs to be some amount of interdependence between the trustor and the trustee for trust to exist. Second, trust provides the consumer with a way to cope with risks or uncertainties associated with entering a relationship with the firm. Third, the consumer expects that the firm will not take action that will result in negative outcomes for the consumer (Bachmann and Lane, 1988).

Bachmann and Lane assert that the level of expectations depends on the basis behind the trust. When trust is based on personal identification it is called normative trust. With normative trust the consumer perceives shared values and beliefs to exist between himself and the firm.

This trust is interpersonal and is characterized by emotional bonds resulting in long term relationships. A study, by Garbarino and Johnson, suggests that trust and commitment are linked to consumers' future intentions (1999). Furthermore, trust serves as a precursor to commitment. Consumers must first establish trust in a firm and eliminate their perceived vulnerability before they are willing to commit to a firm.

Commitment

Commitment is also an important construct in determining a consumer's orientation (Schurr and Oh, 1987). Differences in the level of commitment and trust can help distinguish between a relational consumer and a transactional consumer. According to Jacob and Kyner Commitment could "provide the essential basis distinguishing…[and] assessing the relative degrees of brand loyalty" (1973, p.3).

Moorman, Zaltman and Desphande describe commitment as an "enduring desire to maintain a valued relationship" (1992, p.316). Gundlock, Archrol and Mentzer explore the three components of commitment: attitudinal, instrumental and temporal (1995). The attitudinal component consists of a personal attachment or identification between the consumer's beliefs or values and the firm. The instrumental component primarily involves an investment on behalf of the consumer. This investment may consist of the time involved making a decision to deal with the firm or the consumer's perceived cost of dissonance that the disruption of the relationship may cause. The temporal component implies intent to remain in a relationship with the firm. When all components are evaluated, commitment can be indicative of consumers' future intentions regarding the firm.

Satisfaction

Satisfaction is an important component of a consumer's attitude and must be considered when determining a consumer's orientation. Garbarino and Johnson (p.1) view satisfaction to be the "primary mediating construct between attitude and future intentions." Measurements of satisfaction must be taken in reference to the consumer's expectations. Hempel describes satisfaction as "the extent to which expected product benefits are realized. It reflects a degree of congruence between actual outcomes and expected outcomes." (1977, p.70)

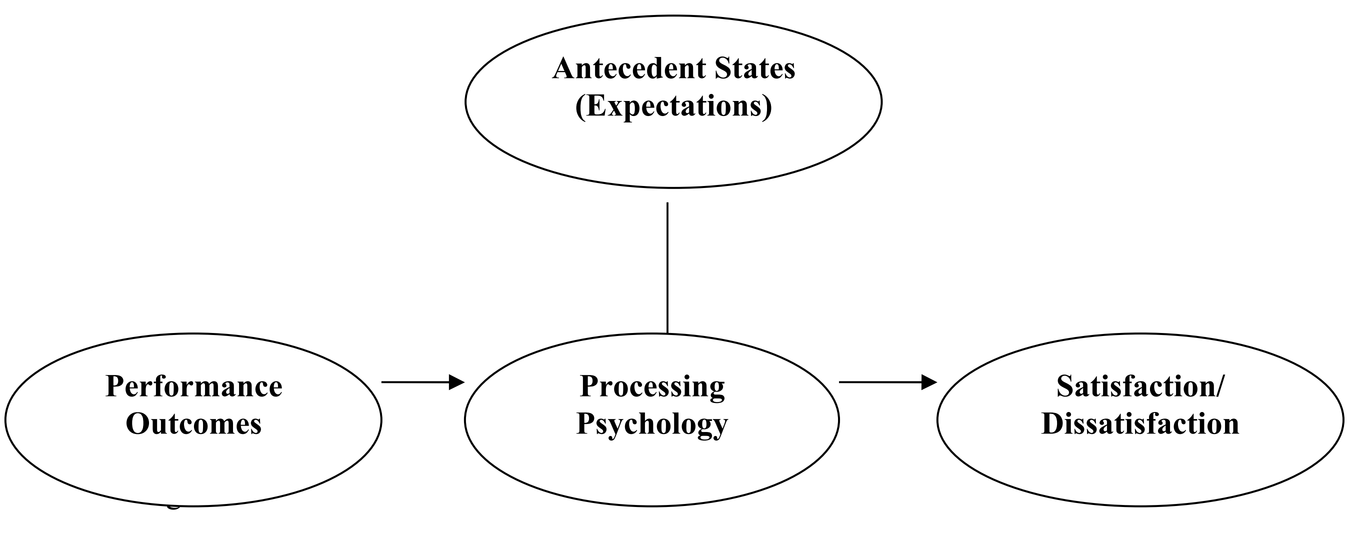
Miller (1977, p.23) emphasized the importance of measuring satisfaction in respect toconsumers' expectations. Expectations act as antecedents to the individual's processing psychology, which affects the performance outcome's relationship to satisfaction or dissatisfaction. Oliver refers to the classification of expectations as "expectation referents" categorized by the level of desire (1997). The desired level is the ideal level of satisfaction wished for by the consumer. The expected or adequate level is the consumer's predicted level of satisfaction. Satisfaction that falls between the desired and adequate level are considered to be within the 'tolerance zone' or 'indifference zone' (Zeithmal, Parasurama, and Berry, 1991). Strandvik explains that the zone of tolerance exists on a continuum, ranging from the ideal level of service the consumer wishes to receive to the lowest level of service the consumer is willing to accept (1994).

While all consumers are concerned with their overall satisfaction, the importance of that satisfaction varies depending on their orientation. Garbarino and Johnson's study found satisfaction to be the "primary mediating construct between component attitudes and future intentions" for transactional consumers, while (given a minimum acceptable level of satisfaction) relational consumers would rate trust to be more important than increased levels of satisfaction (1999, p.1).

MARKETING STRATEGIES

Not all customers desire the same relationship and therefore it is crucial that a firm analyze its customer base and apply the appropriate strategy to each consumer or consumer segment (Anderson and Narus, 1991). A firm must accurately identify a consumer's relationship and orientation. The firm needs to determine if the consumer wants a relationship or is only interested in the transaction. This study proposes a mediating performance model of satisfaction, depicted in figure 2, which suggests that consumers perceptions of performance outcomes are mediated by consumers expectations, leading to satisfaction or dissatisfaction with the service provider. The model suggests that a transactional marketing strategy focused on satisfaction will be more successful with transactional oriented consumers; while a relationship marketing strategy focused on trust and commitment would be better suited for consumers with a high relational-orientation.

A Mediating Performance Model Of Satisfaction



For a transactionally oriented consumer, a firm needs to apply a transactional strategy that focuses on delivering customer satisfaction for an individual transaction. The time frame is limited to that transaction, so emphasis is less on consumer commitment and more focused on consumer satisfaction, quality and product features. When representatives mistake a transactional consumer for a relational consumer, they run the risk of alienating him (Firal, Dholahia and Bagozzi, 1987). Attempts to build a relationship with a consumer based on an assumed degree of trust that does not exist can cause suspicion. Those suspicions may lead the consumer to become wary of the firm. In addition the motivation behind some consumer's repeat purchases is misunderstood, as some consumers display the behavior only as a part of risk reduction strategy (Bell, 1999). These consumers' value consistency and reliability related to the product but derive little, if any, value from attempts to build a relationship.

For relationally oriented consumers a marketing strategy based on enhancing loyalty will be more successful. It is important for marketers to differentiation between utility maximizing consumers and risk minimizing consumers, as consumers with different levels of loyalty and involvement may require different strategies. The application of transactional or relationship marketing strategies should ultimately depend on the consumer's orientation.

METHOD AND RESEARCH

The thesis of this study is based on the following assumptions: consumers' orientations differ and range from transactional to relational, a basic level of provider satisfaction is required for either transactionally or relationally oriented relationships to exist, the importance of satisfaction, above this minimum required level, varies depending on the consumer's orientation. Based on the literature review concerning consumer orientations, it is hypothesized that the predictor variables of commitment, satisfaction and involvement will aid in classifying consumers' as having a transactional orientation or a relational orientation.

MODEL DESCRIPTION AND HYPOTHESIS DEVELOPMENT

The construct model shows a relationship between general trust and commitment. Based on a study by Garbarino and Johnson, that suggests that trust is a precursor to commitment,it is assumed that a consumer who ranks general trust as an important factor in a relationship will be more likely to psychologically commit to a relationship with a service provider. It is then hypothesized that a consumer with a high level of commitment will be relationally oriented.

A basic level of satisfaction must exist at both the transactional and relational orientation for repeat business to occur. However, it is hypothesized that satisfaction will be ranked more highly by a transactional consumer than by a relationally oriented consumer. The construct of enduring involvement is also explored. It is hypothesized that a consumer with a high degree of enduring involvement will be relationally oriented.

A summarization of the hypotheses follows:

H1: A positive correlation exists between the level of commitment and a relational orientation.
H2: A positive correlation exists between a consumer's overall rating of satisfaction and a transactional orientation.
H3: A positive correlation exists between a consumer's level of enduring involvement and a relational orientation.

STUDY METHOD

This study is based on hypotheses, which suggest that consumer orientation determines satisfaction, commitment and involvement. The study focuses on the auto repair industry, chosen because of the accessibility of car owners, who could then be evaluated in terms of their relationship with auto repair provider. The research population consists of undergraduate students attending Northeastern Illinois University. College. Northeastern Illinois was chosen due to the high number of commuters that attend the university.

The data comes from a survey administered to sixty undergraduate students at Northeastern Illinois University. The questionnaires were gathered from marketing literature and were refined to address the relevant issues considered in this study (Milne & Boza 1998, White & Schneider 1998, Laurent, Gilles & Jean-Noel Kapferer 1995). The students were not given any information pertaining to the purpose of this study prior to filling out the questionnaire.

The simple classification analysis was used to determine the relationship between the dependent variable, consumer orientation, and the three predictor variables commitment, satisfaction, and involvement. The two categories representing the a priori group are relational orientation and transactional orientation. Membership was assigned into one of these categories based on commitment, satisfaction and involvement. It is hoped that by gaining an understanding of how these independent variables aid in predicting consumer orientations, a business manager may be able to develop a more customized marketing strategy for his consumers.

The test was used to establish qualifying categories for relational and transactional oriented consumers. This was accomplished by administering a short survey analyzing consumers/ attitudes toward relationship marketing. The relationship marketing survey contained ten items measured using a five-point likert scale (Milne & Boza 1998). The responses from these surveys were analyzed to determine which consumers are relational oriented and which consumers are transactional oriented. The questionnaire identified the respondents' attitudes toward relationship marketing. The anchor points ranged from 1, strongly agree, to 5, strongly disagree. An individual with an average score of three or below was classified as relational, any individual with an average score above three was classified as transactional. The cutoff was arbitrarily picked because three is the midpoint on the likert scale. The remaining portions of the questionnaire were divided into three areas designed to measure the respondents commitment, enduring involvement and importance of satisfaction with regard to their auto care providers.

The commitment scale consists of twelve items, scored on a five point likert scale ranging from strongly agree to strongly disagree (White & Schneider 1998). The satisfaction scale consists eight items, scored on a five point likert scale ranging from very important to unimportant (White & Schneider 1998). The enduring involvement scale consists of seven items, scored on a five point scale ranging from strongly agree to strongly disagree. Each of the three construct scales was individually summed for the two groups, and these measurements were used to compare the differences between relational and transactional with respect to commitment, involvement and satisfaction (Schneider and Rodgers 1996).

CONCLUSIONS AND ANALYSIS

This study is exploratory in nature, with the purpose of developing a model. The conclusions and analysis are based on a total number of sixty respondents. The high range of variance could be due to the small number of observations; however, the exploratory research does suggest further testing.

The initial part of the survey was designed to measure the respondents' attitude toward relationship marketing. This portion was used to sort the group into either a transactional oriented category or a relational oriented category. Ten items were ranked on a five-point likert scale. Out of 18 respondents, five were classified as transactional because they had an average score of above 3.00. The thirteen remaining respondents were classified as relationally oriented, because they scored 3.00 or below.

Construct Measurements

The second section of the survey contained twelve items measured to evaluate the respondents' level of commitment to doing repeat business with their auto-care provider. A lower score signifies a higher level of commitment to the auto-care provider. Approximately 28% of respondents classified as transactional scored an average of 3.05 on the commitment scale, compared to an average score of 2.78 for relational oriented respondents. This difference suggests a higher level of commitment by the relational oriented respondents. The difference in scores between transactional oriented respondents and relational oriented respondents also supports the hypothesis that a positive relationship exists between a consumer's commitment rating and a relational orientation.

The third section of the survey assessed the enduring involvement of the respondent, with their auto-care providers, through seven items measured on likert scales. The lower the score, the higher the respondents' level of enduring involvement with their auto-care provider. The transactional respondents scored an average of 3.09 versus a 2.70 average for relational respondents. This difference demonstrates a higher level of involvement for the relational respondents. This also supports the hypothesis that a positive relationship exists between a high level of a consumer's enduring involvement and a relational orientation.

The final portion of the survey used seven items to evaluate the relative importance of satisfaction, with respect to auto-care providers. Lower scores indicate that satisfaction with the respondents' auto-care providers is of greater importance. The respondents in the transactional category scored an average of 1.91 versus an average score of 2.05 for relational oriented respondents. Although there is less variance between transactional and relational respondents concerning this construct, transactional respondents did attach a slightly higher level of importance to satisfaction in dealing with their auto-care provider, which is consistent with the study's hypothesis.

The difference between transactional and relational oriented respondents appears to be more prevalent concerning the constructs of commitment and involvement, while only a small difference exits in levels of satisfaction. One of the assumptions of this paper is that some degree of underlying satisfaction must be present in a consumer's continued relationship with a service provider. This survey does not allow us to ascertain what percentage of the overall satisfaction score is related to that required minimum level of satisfaction and what percentage of the score is related to the consumer's desire to obtain higher levels of satisfaction beyond that minimum.

Strategic Implications, Conclusions & Limitations

This study suggest that some differentiation between transactional and relational consumers along measures of commitment and enduring involvement exists. Based on these results marketers should take into consideration the constructs of commitment and involvement for use in predicting consumer's orientations. Once consumers are identified as relational or transactional, the marketer can develop a more appropriate marketing strategy. For a transactional consumer the firm can employ a strategy that focuses on enhancing customer satisfaction. For relational consumers the firm can adopt a strategy based on building relationships and enhancing loyalty factors.

Limitations exist in this study due to the fact that the data was collected for only one type of service provider. It is possible that the trends found in the paper would not apply to other industries. Additional research should be considered in which a baseline is taken that identifies for the minimum level of satisfaction necessary in all continuing relationships, and a method developed for measuring the importance of satisfaction above and beyond that benchmark. Additionally, data should be collected regarding different types of service providers to see whether the trends in this study hold true for different categories of service providers.

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SITUATIONAL EFFECTS OF ETHNIC PHENOTYPE IN MARKETING: INVESTIGATING INTER- AND INTRA-ETHNIC PREFERENCES FOR MINORITIES IN ADVERTISEMENTS

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ABSTRACT

Previous research rooted in phenotypicality bias has investigated consumer attitudes derived from observing ethnic models' differential skin tones in advertising. In previous research the roles of situational valence and shared physical traits between the ethnic models and ethnic consumers have largely been ignored. This research was developed to first understand consumer preferences for ethnic models (operationalized as Black) representing in positively/negatively positioned brand personalities. Results indicate both White and Black respondents express preferences that would be deemed stereotypical, where more (less) Afrocentric models are preferred as representative of negatively (positively) positioned brand personalities. White respondents' reported preferences significantly more extreme than Blacks in both situations. Secondarily, this research uses ethnic consumers' self-reported Afrocentrism to understand preference deviations of Black consumer subgroups versus White consumers. On a subgroup level, some ethnic subgroups report preferences that are markedly more moderate and counterstereotypical, indicating a potential for marketers to be more liberal in the variety of ethnic models selected to represent brands.

INTRODUCTION

How do phenotypic traits (i.e., physical characteristics that distinguish an individual's ethnicity; Maddox, 2004) possessed by minorities in advertisements dictate how these individuals are perceived, and how do these perceptions drive preferences among a consuming populous? Operationalizing minorities as Blacks, Meyers (2011) provides an important initial look into these questions demonstrating Black models (i.e., Blacks hired to represent a brand in advertisements) are perceived differently by Black consumers based on the models' skin tone and the consumer's individual ethnic identity. Of significance, Meyers finds that high ethnic identifying consumers are more accepting than low ethnic identifiers of models in advertisements depicted with a "darker" skin tone. There are, however, additional questions that need to be investigated.

When employing Black models as the centerpiece of brand communications ethnic stereotypes may affect how consumers perceive intended messaging. Phenotypicality bias (i.e., biases related to phenotypic traits) is one such stereotype that, all else equal, has led Blacks possessing more phenotypic traits (i.e., Afrocentric traits – darker skin, broader nose, thicker lips; Blair Judd, Saddler, & Jenkins, 2002) to be viewed negatively while conversely those possessing fewer phenotypic traits were thought of positively (see Maddox, 2004 for review). Adeptly used, managers can utilize societal perceptions about a model's phenotype to bolster a brand's existing personality (i.e., "the set of human characteristics associated with a brand," Aaker 1997, p. 347) and to assist in framing a particular execution's message. Having a holistic understanding of phenotypic effects is important in marketing because as organizations employ Black models, consumers (minority[1] and non-minority alike) may derive different messages from the imagery tied to models' appearances rather than the overarching execution content. Prior to generating executions, there must be an understanding of consumer preferences for specific phenotypic representations and the suitability of these images given a brand's personality, lest the intended message may not be properly delivered.

Phenotypicality biases tied to minority groups have been documented in societies throughout the world and suggests that, among other traits, lighter skin is generally valued over darker skin (e.g., Arce, Murguia, & Frisbie, 1987; Harris, Consorte, Lang, & Byrne, 1993; Murguia & Telles, 1996; Uhlmann, Dasgupta, Elgueta, Greenwald, & Swanson, 2002). To illustrate, Kerr (2005) investigated the paper bag test where Blacks historically were granted enhanced social status and access within their community if their skin was lighter than a paper bag. Further, research has shown darker hued Blacks to be categorized as stereotypically negative (e.g., athletic, criminal, sexually aggressive, uneducated and unintelligent) while lighter hued Blacks are associated with more positively valenced notions (e.g., intelligent, kind, educated, motivated, superior and wealthy; Maddox & Gray, 2002). Note however, these notions are not limited to Blacks. Latinos have been shown to implicitly prefer other Latinos with a lighter complexion (Uhlmann et al., 2002). Also, Latinos with fewer phenotypic features have been shown to possess more educational achievement, income and socioeconomic status (Gómez, 2000; Murguia & Telles, 1996; Telles & Murguia, 1990). Darker skin is further associated with lower income and depressed physical health among Filipino Americans (Kiang & Takeuchi, 2009).

Relating phenotypicality bias to consumption of marketing communications, this research concedes a congruency between the model's phenotypic traits and a brand's personality (Aaker, 1997) should come to fore when firms employ Black models to represent their brands. Brands with a stereotypically "positive" personality (e.g., intelligent, sophisticated and superior – paralleling Maddox & Gray, 2002) would be best represented by Black models with fewer phenotypic traits. Conversely, brands with a stereotypically "negative" personality (e.g., athletic, aggressive, and tough) would be best represented by Black models possessing more phenotypic traits. Note also, the terms "positive" and "negative" are used here in relation to brand personalities to remain consistent with previous research in phenotypicality bias. They are not intended to be read as directionally better or worse.

There are, however, two significant issues not addressed in the literature. First, while bias is presumed to exist across ethnic groups, is the extremeness of these preferences identical between Black and White consumers? Further, exploring phenotypicality bias within the Black community, the literature does not address contextual cues which may lead Black consumers to engage in evaluation of their own phenotypic traits when developing preferences for Black models depicted in advertisements. This is critical because as Black consumers actively pigeonhole Black models they are at times stereotyping traits they may personally possess. Therefore, the evaluation of personally held phenotypic traits may play a significant role in evaluation of and preferences for ethnic models.

LITERATURE REVIEW

When thinking about brand personalities, consumers may generate perceptual or sensory representations for the brand (i.e., imagery; MacInnis & Price, 1987). When involving Black models, this imagery can be narrowly framed by stereotypes elicited by contextual cues wrapped in a brand's personality. Phenotypicality bias conforms to this structure where the perceived appropriateness of Black models in a given context should be dictated by the general positivity/negativity of available cues. Due to societal norms, Blacks possessing more phenotypic traits are generally viewed more negatively than those possessing few to none of these traits (Maddox, 2004; Tajfel & Turner, 2004). It follows that as brand personalities are construed more negatively consumers should report preferences for Black models which appear markedly more phenotypic, remaining congruent with any formed imagery (Heckler & Childers, 1992; Srull & Wyer, 1989). The converse should be true for positively positioned brand personalities. For White consumers, when asked to choose between potential Black models to represent a brand biases associated with phenotype may be enough to explain resulting preferences, but preferences stated by Black consumers may be more complex.

For Black consumers, phenotypicality bias may be foundational to stated preferences, but Tajfel and Turner (1979, 2004) also discuss that as individuals classify themselves in groups they attempt to maintain a positive affect for that group, especially in relation to out-groups. As this positive affect is reinforced over time, an individual's self-esteem is either maintained or enhanced. Further, Dunning and colleagues demonstrate spontaneous evaluations of others lead to activation of personally held traits (Beauregard & Dunning, 1998; Dunning, 1999; Dunning & Hayes, 1996). Mussweiler and Bodenhausen (2002, p. 19) add comparisons of in-group members involve "specific individuating knowledge about the self." The phenotypicality bias literature largely ignores the role these individually held phenotypic traits play in Blacks' evaluation of other Blacks. Therefore, depending on the brand personality positioning, Black observers may find themselves at a crossroads between solely leveraging inculcated phenotypicality biases and incorporating personally held notions of their own salient physical identity.

Presuming the act of being represented as the "face" of a brand is construed as an endeavor that uplifts a social group's status, subgroups of the Blacks populous may begin to show marked differences in preferences from that of White consumers. In their evaluation of Black models, Black consumers may become more discerning of traits they deem acceptable as representative of a brand. Black consumers should have a keen awareness of the physical phenotypic traits they share with the models and the stereotypic notions encompassing those traits. They should then use those traits as an additional basis of evaluating fitness of an individual representing a particular brand personality as these traits possessed by the Black model and consumers would serve to segregate the Black populous into distinct subgroups that may express divergent preferences. Rather than monolithically accepting models possessing fewer phenotypic traits as best representing positively positioned brand personalities, Black consumers which have more phenotypic traits may have stated preferences which are leveraged to justify allowing a Black model with more phenotypic traits to be prominently depicted. This preference runs counter to societal stereotypes, but these consumers should desire seeing a model fitting their ethnic in-group being prominently represented in the marketplace. Displays of ethnic in-group members should provide a sense of communal uplift and self-esteem enhancement.

The same rationale should be true for Black consumers who possess fewer phenotypic traits evaluating Black models to represent more negatively positioned brand personalities. Again, the presumption is that prominent placement of an in-group member as a brand's "face" is desirous. In their evaluations, these consumers should signal an eagerness to view models with fewer Afrocentric traits tied to more ruggedly depicted brands which is again outside of the normal marketing communications placement.

Remarkably, once Blacks are aggregated on the general ethnicity level, as is typically done in past phenotypicality bias studies, there should be some differential effects when compared to Whites. These effects are notably due to the variance induced in preference ratings by ethnic subgroups related to self-possessed Afrocentric traits. When presented with a negative brand personality, White (vs. Black) consumers' preferences should skew significantly more towards that of Black models possessing more phenotypic traits. Also, when presented with a "positive" brand personality, White (vs. Black) consumers' preferences should skew significantly more towards that of Black models possessing fewer phenotypic traits. This research, however, plans to empirically show these deviations are due to variances among Black ethnic subgroups based on self-possessions of phenotypic traits. Formally stated:

> *H1: Compared to Black consumers, White consumers presented a negatively (positively) positioned brand personality, will report stronger (weaker) preferences for Black models that possess more phenotypic traits.*

This research proffers that the differences expressed in *hypothesis 1* are due to ethnic subgroup differences among blacks. An additional hypothesis is offered to account for why these differences are occurring.

> *H2: Compared to Black consumers self-reporting possession of fewer (more) phenotypic traits, White consumers presented negatively (positively) positioned brand personalities will report stronger preferences for Black models possessing more (fewer) phenotypic traits.*

METHOD

This study operationalizes minorities as Blacks. As such, phenotypic traits for Blacks are operationalized as Afrocentric traits. Here "more Afrocentric" is indicative of possessing more Afrocentric traits and "less Afrocentric" is indicative of possessing fewer Afrocentric traits.

MODEL STIMULI AND PRETESTS

Head and shoulder roster photographs of two Black males were downloaded from a university athletics website. In the images the background, dress (i.e., dark suits) and facial expressions (i.e., neutral) were uniform. Models were differentiated by *a priori* notions of Afrocentric traits the males possessed (e.g., light vs. dark skin, thin vs. broad nose and "clean" haircut vs. "locks"). Verifying the differentiations between the stimuli, two pretests were conducted via an internet based survey tool. Order of presentation was randomized in each pretest. Sixteen Black respondents rated the models' level of Afrocentric appearance in a within-subject pretest. The models' Afrocentrism was rated significantly different on a 9-point Likert scale (see Blair, et al., 2002, Study 1; 1 = *not at all* to 9 = *very much*; $M_{\text{less Afrocentric}} = 7.25$, $M_{\text{more Afrocentric}} = 8.50$; $F\ (1, 15) = 8.72$, $p < .02$). Twenty-three Black female respondents rated both models equally attractive in a within-subject pretest using a ratings slider (0 = *not at all* to 100 = *very*; $M_{\text{less Afrocentric}} = 25.00$, $M_{\text{more Afrocentric}} = 26.09$; $F\ (1, 22) = .05$, n.s.).

PROTOCOL

Three hundred sixteen undergraduate respondents at two southern universities (168 White, 148 Black; 144 female) participated in a two scenario, computer based, between subjects experiment. Data were collected from a predominantly White institution (PWI) and a historically Black university (HBU). All but one of the White respondents attended the PWI. Twenty Black respondents attended the PWI. Students received course credit for participation. Respondents were provided a back-story about an anonymous brand looking for a spokesperson for an advertising campaign, and they were given a valenced brand personality for the prospective model to embody. Respondents were randomly assigned to conditions (158 presented negatively positioned brand personality – "athletic, aggressive and tough," 158 presented positively positioned brand personality – "intelligent, sophisticated and superior," specific scenarios and response items are shown in the appendix). After the back-story respondents were presented with a 9-point, semantic differential type scale, anchored by the models' images, which measured preferences for the models (1 = *strongly prefer model A* to 9 = *strongly prefer model B*; randomly counterbalanced between subjects to minimize order effects; prior to analysis data were coded to indicate "model A" as less Afrocentric and "model B" as more Afrocentric). After responding, subjects self-reported ethnicity and gender. White respondents were directed to the end of the instrument. Black respondents were directed to a purported second study where they responded to a question about perceptions of their personally held Afrocentrism (*I display*

Afrocentric features; 1 = *not at all* to 9 = *very much*; remaining consistent with pretests and Blair et al., 2002; see also Bergkvist & Rossiter, 2007; Rossiter, 2002).

RESULTS

MANIPULATION CHECKS FOR BLACKS

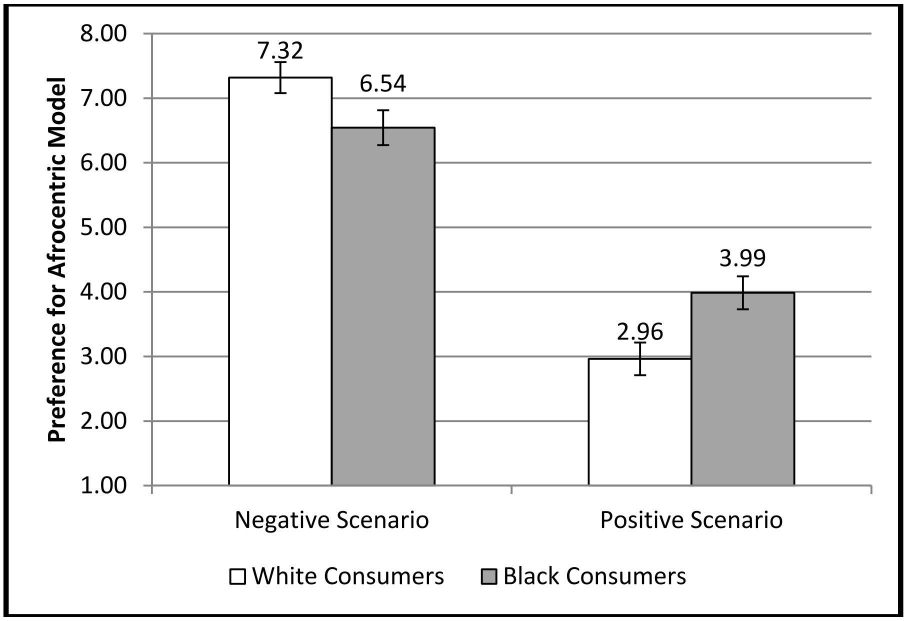
Two 2 (location [PWI vs. HBU]) x 2 (brand personality ["negative" vs. "positive"]) ANOVAs were run predicting Black respondents' preferences and self-reported Afrocentrism. These were generated to understand if location and scenario confounded stated preferences and Afrocentrism ratings by inducing unexpected variance. For the preference measure there were no interactive effects between scenario and location ($F(1, 147) = .95$, n.s.), nor was there a main effect for location ($F(1, 147) = .67$, n.s.). Brand personality had a main effect ($F(1, 147) = 23.08$, $p < .01$), indicating that the manipulation to induce variance in Blacks' preferences due to brand personality differences worked as expected. For the Afrocentrism measure, there were no significant brand personality-location interactive effects ($F(1, 147) = .02$, n.s.), nor were there any main effects for brand personality ($F(1, 147) = 1.85$, n.s.) or location ($F(1, 147) < .01$, n.s.). Given these results, the self-perceived Afrocentrism measure was not confounded by brand personality or location which is desirable as Afrocentrism is a targeted independent variable. Due to having no significant effects, the location variable was dropped from subsequent analysis. Manipulation checks were not conducted for White respondents as only one did not attend the PWI. Variances for Whites are reported in the main analysis.

INTERETHNIC EFFECTS OF RACE PREDICTING PREFERENCES

A 2 (brand personality [negative vs. positive]) x 2 (respondent ethnicity [Black vs. White]) ANOVA was used to analyze interactive effects predicting preferences for phenotypic models. Analysis revealed no significant main effect for ethnicity ($F(1, 315) = .24$, n.s.). However, a significant main effect for brand personality manifested ($F(1, 315) = 185.02$, $p < .01$) where the more Afrocentric model was preferred given a negative brand personality ($\mu = 6.93$) and the less Afrocentric model was preferred given a positive brand personality ($\mu = 3.48$). This main effect was subsumed by a significant brand personality-ethnicity interaction ($F(1, 315) = 12.55$, $p < .01$; see figure 1). To understand the interaction data were segmented into brand personality and ethnicity individually. Focusing on the negative brand personality, White respondents' preference ratings ($\mu = 7.32$) were significantly higher than Blacks' ($\mu = 6.54$; $F(1, 157) = 4.51$, $p < .04$) indicating a stronger preference for the more Afrocentric model. This result supports the *H1*. Conversely, given the positive brand personality White respondents' preference ratings ($\mu = 2.96$) were significantly less than Blacks' ($\mu = 3.99$; $F(1, 157) = 8.40$, $p < .01$) indicating Whites held stronger preferences for less Afrocentric models than Blacks. This result again supports *H1*. Within ethnicity, both Whites ($F(1, 167) = 218.51$, $p < .01$) and Blacks ($F(1, 147) = 36.03$, $p < .01$) showed divergent preferences across brand personalities. The more

Afrocentric model was matched with the negative personality, and the less Afrocentric model was matched with the positive personality.

Figure 1: Preferences for Afrocentric models



BLACKS' SELF-REPORTED AFROCENTRISM EFFECTS ON PREFERENCES

Blacks have an additional basis for evaluating models. Shared Afrocentric traits should be evaluated for individual effects as it segregates the Blacks into subgroups (i.e., more/less Afrocentric). These subgroups can feasibly be compared to Whites to gain a better understanding of preferences for Black models. In order to investigate Black subgroup preferences versus Whites, Black perceivers' preferences were estimated at one standard deviation above (i.e., more Afrocentric) and below (i.e., less Afrocentric) the mean for self-reported Afrocentrism in both positive and negative scenarios (Aiken & West, 1991; Irwin & McClelland, 2001; Jaccard & Turrisi, 2003).

Afrocentrism effects among Blacks. A 2 (brand personality [negative vs. positive]) x covariate (self-reported Afrocentrism) general linear model was run for Black respondents only. No significant interactive effects manifested (F (1, 147 = .21, n.s.), nor did a main effect for Afrocentrism (F (1, 147) = 1.55, n.s.). Brand personality presented a main effect (F (1, 147) = 32.98, $p < .01$) where preferences in the negative brand personality skewed towards more Afrocentric models and preferences in the positive scenario skewed towards less Afrocentric models. Looking within each scenario, there were no significant effects due to self-reported Afrocentrism given negative ($\beta = .08$, SE = .16, F (1, 69) = .24, n.s.) or positive ($\beta = .17$, SE = .12, F (1, 77) = 1.91, n.s.) brand personalities. No self-reported Afrocentrism effects indicate that

Blacks' self-reported physical identity did not significantly impact preferences stated *within* the ethnic group, but additional analysis reveals some significant effects versus Whites.

Negative brand personality. Focusing on the negative brand personality only, two-sample t-tests were conducted to understand White respondents' preferences versus Black subgroup preferences. Whites' preferences ($\mu = 7.32$, n = 88, SD = 1.90) did not significantly diverge from Blacks' identifying as more Afrocentric ($\mu = 6.70$, n = 70, SD = 2.68; t = -1.68, n.s.). However, Whites' preferences are significantly stronger for more Afrocentric models vs. Black respondents self-reporting as less Afrocentric ($\mu = 6.38$, n = 70, SD = 2.68; t = -2.56, $p < .02$). These results provide support for *H2*.

Notably, less Afrocentric Black respondents' preferences still lean toward more Afrocentric models due the group mean being significantly greater than the scale midpoint of 5 (t (69) = 4.31, $p < .01$). Construing self-reporting of one's phenotypic make-up as a proxy to social identity, this result supports the notion these individual's evaluation of their own social identity plays a role in mitigating the extremity of preferences tied to phenotypicality bias given negative brand personalities, but one's social identity may not completely nullify phenotypicality bias effects.

Positive brand personality. Given the positive brand personality, White respondent's preferences ($\mu = 2.96$, n = 80, SD = 1.92) do not significantly diverge from those of Black respondents self-reporting as less Afrocentric ($\mu = 3.60$, n = 78, SD = 2.49; t = 1.80, n.s.). However, Whites' preferences significantly diverge from those of Black respondents self-reporting as more Afrocentric ($\mu = 4.38$, n = 78, SD = 2.49; t = 4.01, $p < .01$) highlighting Whites more strongly prefer less Afrocentric models when presented positive brand personalities. This result provides further support for *H2*.

More Afrocentric respondents' preferences here were statistically less than the neutral point of the scale used (t (77) = -2.20, $p < .04$). Again, this suggests that social identity was enough to mitigate phenotypicality bias effects but not completely override them.

DISCUSSION

This research highlights where two disparate theories work together to derive preferences for Black models given positively and negatively positioned brand personalities. Phenotypicality bias is shown to be foundational in deriving preferences for these models. However, for Black respondents social identity, represented by self-reported levels of Afrocentrism, appears to mitigate some of the phenotypicality effects. White and some Black respondents are shown to diverge in their preferences for Black models depending on the context. These differences are driven by subgroups of Blacks who may possess some desire to see models that share their phenotypic traits in situations they would not be traditionally seen due to stereotypes. Consumers with more Afrocentric traits show weaker preferences for models with fewer Afrocentric traits when presented positively positioned brand personalities. Respondents with fewer Afrocentric traits show weaker preferences for models with more Afrocentric traits when asked about brands that are more negatively positioned. However, it can be inferred from the data that individuals, regardless of ethnicity, have been inculcated with societal phenotypicality biases that remain foundational to shaping preferences.

For the field of marketing this research supports generally accepted practices of matching brand personalities with models that stereotypically fit societal notions of the brand. Whites and more Afrocentric respondents equally preferred more Afrocentric models tied to negative brand personalities. Whites and less Afrocentric respondents equally preferred less Afrocentric models tied to positive brand personalities. Managers should note two things, though. First managers should be careful not to caricature ethnic models they select as this may cause offense among a segment of the minority populous. Second, managers should recognize they may gain favor with some segments of the minority populous by selecting counterstereotypic models at times. Meyers (2011, p. 79) cites the literature noting “White consumers do not negatively react to Black models in ads.” Even though situational preferences are clear in this research, prior research indicates Whites may not be totally averse to viewing diverse types of minority models in advertising.

A more important management implication that is closely related to this research is a need to recognize the ongoing shift in ethnic demographics that is occurring in the American population. From the year 2015 – 2060, various minority populations are projected to increase in size while Whites are expected to decrease in number (US Census Bureau, 2012). Non-Hispanic Whites collectively have a population compounded annual growth rate (CAGR) over this time of -.23% (absolute growth (AG) = 90.17% vs. 2015 projected population, -19.50M people), while Blacks (CAGR = .73%, AG = 138.78% vs. 2015 projected population, +15.45M people), Latinos (CAGR = 1.78%, AG = 220.75% vs. 2015 projected population, +66.89M people), and Asians (AG = 201.36% vs. 2015 projected population, CAGR = .16%, +16.67M people) are all expected to grow. As demographics shift and minorities make a larger relative share of the marketplace, this research suggests that managers may need to further diversify models represented in their advertisements. As explained earlier, phenotypicality biases exist in relation to Black, Latino and Asian communities. But if social identity begins to erode these biases for large parts of future minority consumptive audiences, management’s message may begin to be misconstrued. It may not be sufficient for rugged brands like Under Armour to hire models possessing a lot of phenotypic traits as they did with their initial advertising campaign. It also may not be feasible for brands like CoverGirl to predominantly hire minority models with fewer phenotypic traits. To effectively communicate to larger parts of minority communities, managers may need to greatly diversify the look of the individuals hired to represent the brand. As demographics shift, managers may at times need to emulate Polo/Ralph Lauren’s use of models like Tyson Beckford to better model the diaspora of future American society.

LIMITATIONS/FUTURE RESEARCH

It is important to note that there exists a limitation in the sampling used in this research. In the sampling, Whites were not readily accessible at the HBU because of the relatively small enrollment in courses where data were collected. There were relatively more Blacks at the PWI, but the sample size there was not overly large based on the population at the school. There may be some distinctiveness affects (see McGuire & Padawer-Singer, 1976) that were not able to be explored in this convenience sample. It is possible that larger Black sample sizes from the PWI institutions would have induced some location effects over self-reported Afrocentrism because the respondents' distinct status on that campus makes these traits more chronically salient. This salience may make self-Afrocentrism ratings more extreme. It is conjectured, though, that as these become more extreme stated preference patterns realized in this research would simply become more solidified.

Another limitation to this research involves the stimuli used. Respondents here were given a choice of models that is normally not available in real world consumption of advertising. It is not known what attitudes for advertisements or brands would manifest if the models used were individually mocked up in advertisements depicting differentially positioned brand personalities. Preferences or model attitudes may change if the choice of models is removed from respondent consideration.

Noting the limitation of inducing choice, this research did not replicate Meyers (2011) differentiation of attitudes within the Black populous. Meyers shows a significant difference in attitude for dark skinned Black models where high ethnic identifiers reported better attitudes than low ethnic identifiers. Darker skin tone is a trait of Afrocentrism (Blair et al., 2002). In this research, there was no difference among Blacks' preferences for more Afrocentric models after self-reporting possessed Afrocentrism. The lack of this research's ability to replicate Meyers, even directionally, may be due to the different types of social identification used. This research relies on an identity that is based on physical characteristics while Meyers used the Multi-group Ethnic Identity Measure (MEIM, Phinney, 1992) which is based more on social cognitions. These two disparate identities may not be congruent and may in fact have interactive effects that have yet to be investigated. A future research project on this topic may further narrow the understanding of stated preferences and attitudes.

Continuing, while this research was designed in part to segregate Black respondents on the basis of a held trait, the study design was unable to capture specific factors inducing variance around Whites' preferences. While it is important to understand when Blacks and Whites use different mechanisms to form their judgments, it may be prescriptive to evaluate Whites and Blacks on a shared construct. A starting point in understanding potential moderating variables may lie in the literature surrounding ethnic colorblindness where individuals believe others are equal and "ethnicity should not affect opportunity in society" (see Lewis, 2004; Markus, Steele, & Steele, 2000, p. 234; Nevelle, Lilly, Duran, Lee, & Browne, 2000). Colorblindness may provide a different means of comparing Whites' and Blacks' preferences and give a holistic understanding of when both groups are willing to "broaden the tent" and allow counterstereotypic models to represent brands.

NOTE

1 In this research Blacks are the focal minority consumptive group while noting that minority groups are generally defined as a subsegment of a population differentiated by a specific trait (e.g., ethnicity, gender, religion, sexual orientation, etc.). Each minority group is potentially confronted with its own stereotypes that members of that group have to navigate on a daily basis. The findings of this research are

contextualized by specific stereotypes Blacks face, but nonetheless may generalize to other minority segments and similar situations. Whites are operationalized as the focal majority group.

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APPENDIX: STUDY PROTOCOL

Pretest rating models level of Afrocentrism (Blair et al 2002)

This individual possesses Afrocentric features. (Not at all:Very much)

Pretest rating models attractiveness

On a scale of 1 (not at all attractive) -100 (very attractive), how attractive is this individual?

Initial instructions for all respondents

"Brand X" (name purposefully withheld) is in the process of developing a new advertising campaign. Brand managers have a core group of potential spokespeople/models they wish to choose from, but they are desirous of understanding consumer preferences for the models.

You are only being asked about a subset of the potential models.

The next brief survey has been designed to gauge your perceptions as a consumer. Results will help the brand managers select a specific direction for their communications plan.

Demographics

What is your gender?
What is your ethnicity?

Manipulation

"Brand X" is searching for a model to use in future advertisements. You are being asked to compare two of the potential models that have been targeted for this ad campaign.

The brand's personality is described as ATHLETIC, AGGRESSVE and TOUGH [INTELLIGENT, SOPHISTICATED and SUPERIOR].

A model should match the brand's personality as much as possible.

Given this information, which of the two models below would you prefer to see in an advertisement for "Brand X?"

Strongly Prefer Model A:Strongly Prefer Model B

(Pictures of the models were presented above the anchors at both ends of this scale.)

Black respondents only – Self-reported Afrocentrism measure (Blair et al. 2002)

I display Afrocentric features. (Not at all:Very much)

QUALITY OF BUSINESS-TO-BUSINESS RELATIONSHIPS: IMPACT OF CUSTOMER-SUPPLIER DIFFERENCES

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ABSTRACT

What makes a business-to-business relationship successful? Current literature presents different factors associated with the quality of relationships between customers and suppliers. This research investigates the suppliers' perspectives of inter-organizational cultural and process differences and their impact on relationship quality between organizations. Findings from a cross sectional study using 294 service personnel working at the customers' locations suggest that differences in organizational culture and process control standards negatively influence the quality of relationship in customer-supplier dyads. This research extends the scope of the current literature in inter-organizational relationships from merely looking at the characteristics of organizations to understanding how the differences in these characteristics between organizations affect the relationship quality. For practitioners, the findings from this research emphasize the need to consider cultural and process control differences in selecting business partners, forming joint work groups, and training managers and employees to mitigate the differences and develop quality relationships with suppliers/customers.

***Key Words**: Relationship Quality, Inter-organizational Differences, B2B Relationships, B2B Services*

INTRODUCTION

QUALITY OF BUSINESS-TO-BUSINESS RELATIONSHIPS: IMPACT OF CUSTOMER-SUPPLIER DIFFERENCES

Developing and managing long-term relationships with business partners (e.g., suppliers, channel partners, customers) is one of most important issues for organizations, customers and suppliers alike. Many scholars, both academic and practitioner, stress the importance of long-term relationships for an organization's long-term profitability and competitiveness (Anderson and Narus 1990). Of all the constructs that are associated in the scholarly work on long-term relationships, relationship quality is widely associated with defining the scope of longevity of business relationships. Relationship quality is viewed as an important precondition for the success of a long-term relationship (Ryu, Park & Min, 2007), and developing a high quality relationship is vital to both customer and supplier organizations.

Much of the research investigating the antecedents of business-to-business relationship quality is dedicated to interdependence (Dwyer, Schurr & Oh, 1987), service quality (Grover, Cheon & Teng, 1996), future uncertainty (Han, Wilson & Dant, 1993), opportunistic behavior (Morgan and Hunt 1994), distributive and procedural fairness (Kumar, Scheer & Steenkamp, 1995), interaction frequency (Leuthesser, 1997), strategic objectives (Huntley, 2006), and expectation of relationship continuity (Johnson 1999). Researchers often assert the view that the quality of relationship between organizations is a function of social distance and cultural differences (Turnbull and Valla 1986; Smith and Barclay 1997). However, research investigating the role of inter-organizational differences in building strong business-to-business relationships surprisingly is limited in its scope (Homburg, Schneider & Fassnacht, 2003).

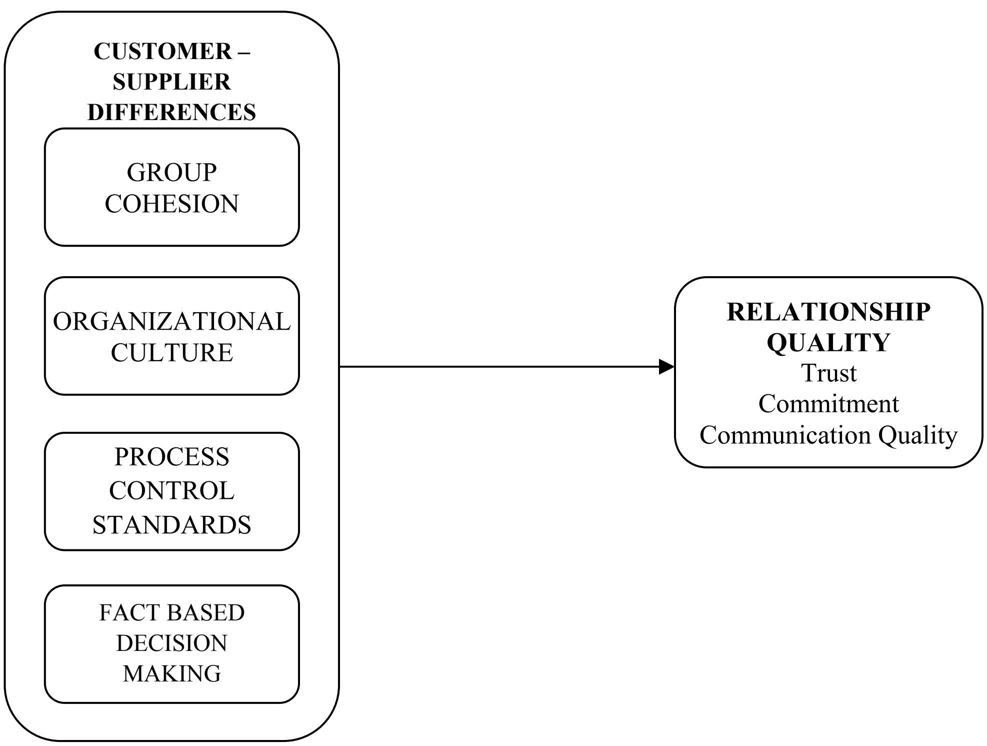
Extant research on the consequences of similarities and differences follows two primary streams. The first stream focuses on interpersonal relationships, such as salesperson-customer and service employee-customer relationships (Homburg et al. 2003). This research stream operationalizes the similarities and differences through individual characteristics such as gender and age, and attitudes (Smith 1998); appearance, style, and socioeconomic status (Crosby, Evans & Cowles, 1990); and other general differences (Doney & Cannon, 1997). The second stream addresses the differences and similarities of inter-organizational relationships, such as buyer-seller relationships (e.g., Morgan & Hunt, 1994; Smith & Barclay, 1997) and marketing channel relationships (e.g., Anderson & Weitz, 1989). While investigating these relationships, researchers mainly explore differences relating to goal congruence (Anderson & Weitz, 1989; Bucklin & Sengupta, 1993; Smith & Barclay, 1997); governance structures and management philosophy (Bucklin & Sengupta, 1993); performance control systems (Smith & Barclay, 1997); shared ethical values (Morgan & Hunt, 1994); and national culture (Anderson & Weitz, 1989).
None of the studies in either stream consider the impact of cultural and process management differences on relationship quality. One notable exception is the study by Homburg et al. (2003), which uses social identity theory to explain the effects of inter-organizational similarities on marketing channel relationships. However, this study assesses organizational similarity at the strategic level focusing on price positioning, quality positioning, and general orientation of marketing and sales decision-making. In summary, the research to date on the antecedents to relationship quality is limited to differences in the strategic focus of partners.

As business relationships become more global, partners exhibit more disparate organizational cultures; differences in national culture or management philosophy alone do not sufficiently capture the extent of the cultural differences (Ashnai, Smirnova, Kouchtch, Yu, Barnes & Naudé, 2009). In addition, as businesses outsource a larger percentage of their processes, a higher proportion of the day-to-day work is likely to be performed by joint teams that include employees of all partners. The outcome of such joint day-to-day work will be affected, not only by cultural differences, but also by differences in the process management practices of the partners. Due to the increased frequency and immediacy of the contact between partners' employees, the employees' perception of the differences between the organizations would likely have a significant impact on the perceived relationship quality between the partner firms.

To address the limitations in the current literature as well as the interdependent nature of performing outsourced work, this study addresses the issue of inter-organizational differences and their consequences in greater detail. Specifically, this research extends the literature on inter-organizational differences and their impact on relationship quality by considering the impact of cultural differences, namely organizational culture and group cohesion, and process management differences, namely process control standards and fact based decision making, on the relationship quality between two organizations in business to business services. This research considers these cultural and process management differences from the perspective of the supplier's employees, based on their work experiences in the joint teams.

Figure 1 presents the proposed theoretical model. The next section presents the theoretical foundation of the constructs and the hypotheses. Later methods used to test the model and results are detailed. Finally the results are discussed in detail with implications to researchers and practitioners.

FIGURE 1: CONCEPTUAL MODEL AND HYPOTHESES



THEORETICAL FRAMEWORK

BUSINESS-TO-BUSINESS RELATIONSHIP QUALITY

Relationship quality consists of evaluation of the various interactions within an inter-organizational relationship against standards based on desired or expected interaction outcomes; this evaluation reflects the overall, long-term strength of the relationship (Lages, Lages, & Lages, 2005). The components of relationship quality, mainly trust and commitment, stimulate a relational bond between partners, thus facilitating productive collaborations (Gounaris, 2005). Relationship quality reflects cooperation, adaption and atmosphere present in an inter-organizational relationship (Liu, Li & Zhang, 2010). Higher relationship quality is strategically important and desirable in business relationships (Johnson, Sohi & Grewal, 2004) and is often considered as the measure of relationship strength between two companies (Kumar et al. 1995). Relationship quality is widely considered as a full mediator between different organizational variables and relationship performance (Grover et al. 1996).

In an integrative review of relationship quality, Athanasopoulou (2009) concludes that relationship quality has often been considered as a higher order construct comprising various dimensions, such as trust, commitment, satisfaction, communication quality, service quality, interaction quality, coordination and customer orientation. Because researchers approached the construct from different perspectives, there is a lack of consensus on the composition of relationship quality (Leonidou, Barnes & Talias, 2006; Athanasopoulou, 2009, Liu et al. 2010). However, most studies consider mutual trust and commitment as the most vital components of relationship quality (Morgan & Hunt, 1994; Athanasopoulou, 2009).

The degree of trust between two organizations is the foundation of a continued business relationship (Wilson, 1994). Trust in a relationship creates an expectation that statements made and actions undertaken are sincere and that the parties will engage in mutually beneficial joint actions even when there are possibilities for opportunism (Doney & Cannon, 1997). Commitment is the willingness of the two organizations to devote time and resources to foster an on-going relationship (Mohr & Spekman, 1994). In being committed, the organizations not only adhere to the terms of the contract, but also are willing to seek and support activities that require mutual participation.

In business-to-business services, employees of both organizations in the relationship not only interact with each other regularly, but also work with each other in delivering the work outcomes. Such business settings demand high levels of quality communication between the partners. Communication is the two-way sharing of information by formal and informal methods (Anderson & Narus, 1990). The ongoing exchange of information improves the satisfaction of the two parties (Willcocks & Kern, 1998). Thus, this research measures and models relationship quality as a second order construct with trust, commitment and communication quality as its three underlying dimensions.

CULTURAL DIFFERENCES AND RELATIONSHIP QUALITY

This research considers two elements of inter-organizational cultural differences - organizational culture and group cohesion. Organizational culture comprises of beliefs, values, assumptions, and practices that are consistent through an organization (Deal and Kennedy 1982; Deshpande & Webster, 1989). These practices and beliefs set the standards for how customers and employees are viewed and for how decisions are made in an organization. These set of standards establish the organization's customer focus, the relationship between management and employees, and strategic improvement focus of an organization (Issac, Rajendran, & Anantharaman, 2004). At the organizational level, positive organizational culture increases process effectiveness and improves relationships with channel partners (Gregory, Harris, Armenakis & Shook, 2009); at the employee level, increases individual performance (Richard, McMillan-Capehart, Bhuian & Taylor, 2009) and job satisfaction (Sempane, Reiger & Roodt, 2002). Research in sales contexts suggests that supportive organizational culture enhances quality of relationship between buyer and seller (Beverland, 2001).

Every organization has a unique culture composed of a set of commonly accepted norms established by its members (Schein, 1985; Chatterjee, Lubatkin, Schweiger & Weber, 1992). These norms are difficult to modify; hence it is imperative for organizations to form relationships with other organizations that have similar, compatible cultures. Research provides equivocal evidence of the importance of organizational culture on the relationship quality between two organizations (Leonidou et al. 2006). However, the focal relationship is between two organizations, which suggests that the cultures of both partner organizations should have an impact on the relationship quality. Relationships are stronger when organizations partner with those that are similar in culture (Morgan & Hunt 1994). Although many researchers suggest that relationships between culturally similar organizations would be stronger than otherwise, the empirical support is rather sparse (Homburg et al. 2003).

Differences in organizational cultures influence the continuation of joint ventures (Park & Ungson, 1997), shareholder value creation (Datta & Puia, 1995) and mutual commitment between organizations (Kashlak, Chandran & DiBenedetto, 1998). Cultural disparities in an inter-organizational relationship have a significant negative effect on overall performance of the relationship, mediated by the mutual trust in the relationship (Nevins & Money, 2008).

The differences in cultures are reflected by lack of shared values, which can be manifested by differences in cognitive styles, operating methods and choices. These differences have a negative relationship to inter-organizational trust and commitment (Anderson & Weitz, 1989; Jones & George, 1998). While discussing the effects of inter-organizational fit in marketing, Richards and Jones (2009) suggest the similarities, as reflected by shared values, between employees of both seller and buyer organizations significantly impact the effectiveness of business-to-business relationships. In their seminal article on the theory of relationship marketing, Morgan and Hunt

(1994) indicate that shared values like culture are positively associated with effective relationships between partners.

Cultural differences between organizations hinder productive communication between the organizations (Browning, Beyer & Shetlerr, 1995). Cultural compatibility, similar to cultural similarity, determines the ease (or difficulty) with which the interfacing employees can work seamlessly and hence helps (or hinders) overall inter-organizational relational outcomes (Sarkar, Echambadi, Cavusgil & Aulakh, 2001). Research investigating inter-organizational relationship quality in corporate alliances suggests that differences in culture significantly impact different dimensions of relationship quality – trust and commitment (Jones & George, 1998).

H1 *The higher the differences in organizational culture between organizations, the lower will be the quality of inter-organizational relationship and vice versa.*

The other cultural factor this study considers is group cohesion. The context of this investigation involves both the interaction between employees of different organizations, and the creation of joint teams that work as one cohesive group towards meeting client needs. Hence the extent to which these groups exhibit a close, friendly and supportive group work environment would have a great impact on the work outcomes. Cohesion represents the strength of the bonds between different members in a group (Forsyth 1999). Members of a cohesive group exhibit positive individual membership attitudes and behaviors towards the group (Friedkin, 2004). A friendly social atmosphere and commitment to maintaining good interpersonal relationships are some examples of positive cohesive attitudes and behaviors.

Managers generally desire some level of cohesion among teams (Sethi, Smith & Whan Park, 2001). The cohesiveness in a group is attributed to improved outcome performance from the group (Evans & Dion, 1991). This performance improvement is achieved through enhanced communication within the group (Wech, Mossholder, Steel & Bennett, 1998) and higher problem solving capabilities of group members (Rempel & Fisher, 1997). Work group cohesiveness leads to positive relational marketing outcomes between organizations (Deshpande, Farley & Webster Jr, 1993). However, the research on group cohesion does not address inter-organizational attitude differences or how these differences impact relationship outcomes.

Higher levels of group cohesion are associated with greater perceived psychological safety within the group, which in turn promotes increased trust. Such safety is developed through a process called 'local learning,' where group members learn from each other more easily and as a result improve their performance (Wong, 2004). In a context of inter-organizational relationships, employees of one organization have to work with the employees of another organization. In such situations employees of one group interact and learn from those of the other organization via 'distal learning' (Wong, 2004) which represents a more complex learning process required to overcome differences in group cohesion. When two organizations in a relationship have a similar focus on group cohesion, the need for distal learning decreases.

Decreases in the extent of distal learning required would lead to increased effectiveness in the relationship outcomes like interactions and performance. On the other hand, higher differences in group cohesion would lead to a decrease in the relationship quality between the organizations.

H2 The higher the differences in group cohesiveness between organizations, the lower will be the quality of inter-organizational relationship and vice versa.

PROCESS MANAGEMENT DIFFERENCES AND RELATIONSHIP QUALITY

In this study, process control standards and fact based decision-making are used to investigate inter-organizational process management differences. Processes are the dynamic aspects of the inter-organizational relationship; specifically processes are behaviors and actions that get the work done (Spekman & Carraway, 2006) and create value for the customer. Process management involves the design, control, and improvement of these value-creating processes (Evans and Lindsay, 2010).

For the process control system to be most effective in identifying the most advantageous improvement actions, it is necessary to focus on the few key processes that have the most significant impact on the quality of the final product or services (Ahire & Dreyfus, 2000). Once the key processes are identified, performance standards must be set for the outputs from these processes to be used for comparison to the actual (Ravichandran & Rai, 2000). Process control actions are most effective when they are undertaken by employees who are the primary participants in the process (Choi & Eboch, 1998). To enable these employees to take the most effective actions, processes and procedures must be clearly documented, updated regularly, and made accessible to them (Saraph, Benson, & Schroeder, 1989; Kaynak, 2003).

Increased levels of formalization and effective process control lead to fewer defects, which result in reduced cost and time (Forza & Flippini 1998). The presence of formal process control procedures at the customer location facilitates better communication and increases trust between the two partners (Dahlstrom & Nygaard, 1999). Molina, Llorens-Montez and Ruiz-Moreno (2007) conclude that effective process control methods provide valuable common knowledge and language about processes for all employees involved in the processes as well as clearly identify the sources of information needed. The use of standard procedures and the involvement of the employees in the control activities create an environment where knowledge is shared between various personnel, including the partners, who are connected in the process (Wüllenweber, Beimborn, Weitzel & Konig, 2008). In a relationship context, this implies that if partner organizations have similar principles and practices for process control, then the employees from both organizations can relate better to each other's work.

Organizations expect the decisions made by the relationship partner organizations to be influenced by the standard processes established in respective work locations (Sarkar et al. 2001; Richards & Jones, 2009). Smith and Barclay (1997) conclude that control systems differences lead to lower assessment of abilities, motives and trustworthiness of an organization's partner. Their research defines differences in control systems as the extent of incongruence in organizational procedures such as monitoring, directing, evaluating and compensating employees. Based on a survey of executives in the construction contracting industry, Sarkar et al. (2001) conclude that operational compatibility impacts partners' trust and commitment. Operational compatibility includes compatibility of organizational procedures as well as the professional skills of the employees. Professional skills would include both an understanding of process control procedures as well as the ability to make decisions based on performance of the processes.

H3 *The higher the differences in process control standards, the lower will be the quality of relationship between two organizations, and vice versa.*

Process control actions are effective when decisions are based on factual information collected directly from the work output (Ravichandran & Rai, 2000). The most common information used for process improvement is the defect rate and related cost of rework (Ahire, Golhar & Waller, 1996; Fynes & Voss, 2002). Juran (1986) advocates the use of data about the cost of quality (poor and good) for all the process components in order to identify the most effective improvement choices. Information about total effort (time) is also fundamental to making decisions about process changes (Issac et al. 2004). Beyond collecting such data, the timely availability of data to personnel (front line workers, supervisors, as well as partners) engaged in decision making is essential to effective process improvement activities (Saraph et al. 1989; Ahire et al. 1996; Kaynak, 2003).

Factual decision-making is fundamental to high performance organizations and leads to better organizational performance as well as customer satisfaction (Choi & Eboch, 1998). Further, gathering and using data from the processes enables the organization to formally assess partner performance with respect to defect rate, cost, and on-time delivery performance (Forza & Flippini, 1998). Such assessments would lead to quicker and more constructive feedback for improvement of partner performance. Receiving such fact based, fairer, and more consistent feedback improves the level of trust (which is integral to relationship quality) placed on the partner (Dyer, 2000). Also, a good decision-making culture is reflective of the competence of the partner; and competency is associated with strong relationships between the two companies (Kumar, Stern, & Achrol, 1992). Moreover, similarity in the emphasis placed on such a fact-based approach would enable the joint decision-making between relationship partners. Research suggests that joint decision-making leads to improved relationships and performance (Nyaga, Whipple, & Lynch, 2010).

H4 *The higher the differences in fact based decision making processes, the lower will be the quality of relationship between two organizations, and vice versa.*

METHODOLOGY

DATA COLLECTION

Survey data collected from personnel in the information systems industry are used to test the proposed model. The respondents are service personnel working at customer locations but employed by supplier companies. Information technology (IT) project managers in a major metropolitan area in the USA were contacted via the Project Manager Networking Group on www.linkedin.com, a professional networking service with more than 100,000 members. Managers of customer organizations received a message requesting they distribute the survey link to the suppliers' employees working at their locations. Survey participation is encouraged by offering $50 gift cards through a random raffle. This effort resulted in 385 responses.

All the responses are collected in a time frame of 25 days, thus minimizing the possibility of temporal differences in responses. A majority of the respondents completed the survey in about 7 minutes. Fifty-six responses are eliminated as the survey was completed in unusually short or long durations. Sixteen responses from personnel of the customer companies are eliminated. An additional nineteen responses with the submissions from duplicate home IP addresses are eliminated. After these checks, a total of 294 responses are used to test the model. The average length of respondent experience with the customer and supplier company is 1.84 years and 3.13 years respectively. 79% of respondents are males with an average age of 29 years.

MEASURES

The research uses scales items adapted to the study context from well-established measures. Adapting existing, previously validated scales to a new context is generally deemed acceptable (Mackenzie, Podsakoff & Rich, 2001). Organizational culture is assessed using five items from Issac et al. (2004). Group cohesion uses five items from Zaccaro and Lowe (1988). Process control standards are assessed using five items adapted from Ravichandran and Rai (2000) and Issac et al. (2004). Fact based decision making uses five items adapted from Saraph et al. (1989) and Issac et al. (2004).

Relationship quality is conceptualized as a second order formative construct with three first order, reflective dimensions of trust, commitment and communication quality. This choice is based on the decision rules established by Jarvis, Mackenzie and Podsakoff (2003). First, the direction of causality leads from the underlying dimensions of trust, commitment and communication quality to relationship quality. Changes in these underlying dimensions would lead to changes in relationship quality, but changes in relationship quality would not cause changes in the underlying dimensions. Second, the underlying dimensions are not interchangeable as they represent conceptually different aspects of relationship quality. Third, changes in one dimension are not likely to link to changes in the other dimensions (e.g. increased communication quality will not necessarily lead to increased trust). And finally, the antecedents of the dimensions are likely to be different. All three first order factors of relationship quality are assessed using three items each from Lee and Kim (1999). These items are developed specifically for information technology service personnel working in the outsourcing industry and so are appropriate for the present study.

Seven-point Likert-type instruments are used for all scales where responses range from 'strongly disagree' to 'strongly agree.' The survey respondents rated the client organization (customer) and their employer organization (supplier) separately on each of the scale items for the four independent constructs - organizational culture, group cohesion, process control standards, and fact based decision making. The absolute differences in the ratings for each of the scale items are used to estimate the four independent constructs. The resultant number for each data point ranges from 0 to 6, where 0= no difference and 6= completely different. Research supports this approach of measuring differences (e.g., Toulan, Birkinshaw & Arnold, 2006).

ANALYSIS AND RESULTS

MEASUREMENT MODEL

Partial least squares (PLS) in SmartPLS 2.0 M3 (Ringle, Wende & Will, 2005) is used to test the model. PLS is used because it: employs a component-based approach for estimations (Lohmoller 1989), assesses the measurement and structural models simultaneously (Henseler, Ringle & Sinkovics, 2009), places minimal restrictions on sample size and residual distributions (Chin, Marcolin & Newsted, 2003), and is better for explaining complex relationships by iding issues of inadmissible solutions and factor indeterminacy (Fornell & Bookstein, 1982). Additionally, PLS readily supports the modeling of complex, higher-order constructs (Wetzels, Odekerken-Schröder & van Oppen, 2009).

The psychometric properties of the scales are assessed for reliability, and convergent and discriminant validity. The results are presented in Tables 1 and 2. All scales exhibited good reliability with composite reliability (CR) scores above 0.86 for all constructs and average variance extracted (AVE) above 0.57 thus exceeding recommended thresholds (Bagozzi & Yi, 1988). Each item loads higher on its focal construct than on any other constructs; and the square root of AVE for each construct exceeds its correlations with all the other factors, thus confirming the discriminant validity of the constructs (Fornell & Larcker, 1981; Chin, 1998). Tests of convergent validity exceed recommendations with all factor loadings significant and all but two items exceeding 0.70 and composite reliabilities exceeding 0.80 and AVE exceeding 0.50 for each construct (Fornell & Larcker, 1981).

TABLE 1: Psychometric Properties of First-Order Constructs and Scale Items

Construct Items	Loading	t-value	CR	AVE
TRUST			.88	0.72
Both client and my company make/made decisions beneficial to each other	0.82	28.09		
Both client and my company are always willing to provide assistance to each other	0.89	67.73		
Both client and my company are sincere about the relationship	0.84	41.68		
COMMITMENT			0.92	0.79
Both client and my company performed pre-specified agreements very well	0.85	36.58		
Both client and my company always tried to keep promises made to each other	0.92	82.28		
Both client and my company effectively supported activities required participation	0.89	46.18		
COMMUNICATION QUALITY			0.97	0.91
The communication quality between client and my company is timely	0.94	70.59		
The communication quality between client and my company is accurate	0.97	188.63		
The communication quality between client and my company is complete	0.95	90.90		
GROUP COHESION			0.93	0.72
People in my work unit enjoy their coworkers	0.87	41.74		
Employees are very friendly with each other	0.86	30.15		
Employees are focused on keeping a positive social atmosphere	0.86	24.79		
The work group I am a member of is a close group	0.84	25.06		
Employees are committed to maintaining close interpersonal relationships	0.82	16.29		
ORGANIZATIONAL CULTURE			0.86	0.56
The employees at all levels realize that "customer satisfaction" vital to achieving quality	0.78	13.24		
Level of team spirit among the employees is high	0.88	34.79		
There is a high level of trust between employees and management	0.59	4.55		
The employees in the organization are treated fairly and with respect	0.81	14.74		
Best practices in design and testing and are systematically incorporated in the org	0.63	5.95		
FACT BASED DECISION MAKING			0.93	0.73
Data about quality (and cost) are collected and reported regularly	0.88	48.72		
The organization uses quality data in a systematic way to manage the project	0.83	20.00		
The organization emphasizes “defect free processes"	0.79	22.61		
The organization systematically evaluates of costs due to defects	0.90	48.99		
The organization systematically evaluates the total efforts (man-hours) for the project	0.86	41.30		
PROCESS CONTROL STANDARDS			0.89	0.62
The organization has established performance standards for testing	0.75	12.47		
The organization uses performance standards to monitor and control output	0.81	14.01		
The organization updates the performance standards regularly (annually)	0.79	16.36		
The organization regularly monitors and evaluates key processes critical to the project	0.74	9.63		
The organization emphasizes systematic documentation of procedures and processes	0.83	26.32		

CR: Composite Reliability; AVE: Average Variance Extracted

Table 2: Inter Construct Correlations for First Order Constructs

	Trust	Comm	CQ	OC	GC	PSC	FBDM
Trust	0.85						
Commitment (Comm)	0.73	0.89					
Communication Quality (CQ)	0.70	0.86	0.95				
Organization Culture (OC)	-0.40	-0.39	-0.53	0.75			
Group Cohesion (GC)	-0.29	-0.25	-0.35	0.74	0.85		
Process Control Standards (PCS)	-0.48	-0.42	-0.43	0.51	0.39	0.85	
Fact Based Decision Making (FBDM)	-0.38	-0.27	-0.34	0.56	0.51	0.63	0.79

*Values on diagonal are square root of AVE

COMMON METHOD BIAS

With self-reported data and with all construct variables being measured through the same survey instrument, the potential for common method bias is a concern (Podsakoff, Mackenzie, Lee & Podsakoff, 2003). The following steps are taken to address this concern. First, some items are reverse scored (Lindell & Whitney, 2001). Second, the measures for the independent variables preceded those of the dependent variables in the survey (Salancik & Pfeffer, 1977). Third, post hoc analysis using Harmon's one-factor test is performed on the primary constructs (Podsakoff & Organ, 1986). This test indicates that common method bias is not an issue as the un-rotated principal components factor analysis shows multiple factors with the largest explaining less than 39% of the variance.

SECOND ORDER CONSTRUCT EVALUATION – RELATIONSHIP QUALITY

Relationship Quality is modeled as a second order, reflective construct composed of three reflective factors: trust, commitment and communication quality. The CR (0.95) and AVE (0.68) values exceed the recommended levels. Additionally, the loadings of the first-order factors on the second order factor are all significant and exceed 0.80. Thus, relationship quality is appropriately modeled as a second-order construct with three underlying dimensions.

The standardized path coefficients are presented in Table 3. The direct effects of organization culture (ß =-0.40, $p<0.001$) and process control standards (ß =-0.33, $p<0.01$) are both significant thus providing support for H1 and H3 respectively. Together these factors explain 32% of the variance in RQ. This represents a large effect size ($f2>0.35$) as defined by Cohen (1988). A post hoc power analysis using G*Power 3.1 (Faul, Erdfelder, Lang, & Buchner, 2007) indicates a power value exceeding 0.99. The direct effects of group cohesion and fact based decision making are not significant thus indicating H2 and H4 are not supported.

Table 3: Structural Model

Hypothesis	Path (ß) Coefficient	t-value	Results
1. Organizational Culture Differences >Relationship Quality	-0.40**	4.46	Supported
2. Group Cohesion Differences >Relationship Quality	0.08	0.95	Not Supported
3. Process Control Standards Differences >Relationship Quality	-0.33*	3.12	Supported
4. Difference in Fact Based Decision Making > Relationship Quality	0.03	0.33	Not Supported

*p<0.01; ** p<0.001; R2 = 0.32

DISCUSSION AND IMPLICATIONS

The results from this study indicate that differences in organizational culture have a negative impact on the quality of the business-to-business relationship. Organizational culture not only determines how work is performed, but also sets the standards for a firm's customer as well as improvement / learning strategy. Differences in these foci would be apparent to partner employees working together since they affect the facts and constraints that are considered in making decisions, and as a result the value of the decisions made. The impact of the differences in organizational culture on perceived quality of the relationship is as expected.

Contrary to expectations differences in group cohesion do not significantly affect relationship quality between partners. The potential reasons for such a finding could be twofold. First, group behavior to some extent reflects the overall organizational culture. As a result, it is possible that when differences in group behavior are observed, differences in organizational culture are also observed. Second, while observed differences in group cohesion might impact how the individual team member relates to customer employees in the joint team, they may not impact relationship quality as much as differences in overall organizational culture between the employer and customer firms.

Differences in process control standards are found to impact relationship quality as hypothesized. Process control standards measure how performance standards are set, updated, and monitored. Process control standards are explicit and structured standards of organizations that could be common to all processes in an organization. These standards have a direct impact on the work performed on a daily basis by members of joint customer-supplier teams as well as the perceived value of the decisions made and outcomes. Hence, as expected the supplier employees' perception of the relationship quality is impacted by differences in process control standards.

The results indicate that fact based decision making does not significantly impact the perceived relationship quality between the partners. This construct measures the use information about cost and quality to manage the project, not particularly everyday tasks. It is likely that the effects of fact based decision-making impact relationship quality through a mediator such as performance or project output. Also, differences between partner firms in what data are collected and how such data are used could likely be reflected in the assessment of process control standards. The application of these process control standards is what the respondents explicitly observe in their day-to-day activities.

This research extends the existing literature on inter-organizational dynamics in a number of ways. First, where previous research evaluating inter-organizational differences took a mostly strategic focus (e.g., Smith & Barclay, 1997), this study evaluates the impact of inter-organizational differences that impact day-to-day operations on relationship quality between partners. Second, addressing the limited assessment of inter-organizational differences in previous research (Homburg et al. 2003), this research evaluates the impact of differences between organizations on relationship quality using four constructs, with multiple scale items that represent both cultural and process management differences. Third, where previous research directly measures perceptions of organizational differences, this research derives differences scores from the measures of the perceived culture and process management practices in the partner organization. This differencing offers the opportunity to capture inter-organizational similarity and differences more accurately. Finally, most of the studies investigate relationship quality from the customers' perspective and very few investigate it from suppliers' perspective (Athanasopoulou, 2009). The present study extends the existing knowledge on the determinants of relationship quality from suppliers' perspective.

The results also provide opportunities for future investigations to confirm and expand the conclusions. The proposed model is tested using data from service providers in the IT industry. This industry is engaged in innovative work; this fact could be reflected in the personality, motivation, and performance issues common to organizations and employees involved in the industry. The model should be tested with data from other industries to enhance the generalizability of the conclusions from this study. In the same vein, generalizability of the conclusions could be enhanced by surveying firms in a broader geographical location, within the United States, as well as globally.

Besides theoretical contribution, this research also contributes significantly to the managerial thought process. Organizations strive to build strong relationships with business partners. Evidence in managerial and academic research suggests long-term relationships between organizations are more effective than transactional relationships (Kalwani & Narayandas, 1995). Hence organizations stand to benefit by focusing their efforts on developing longer-term relationship with their partners. The degree of similarity or diversity of different organizational factors in a relationship affects the decision making process in both organizations (Achrol, Reve & Stern, 1983). Smaller differences between the organizations in cultural and process management issues require less effort devoted to adaptation processes, hence more effective relationships with more long-term focus. For practitioners, this research provides guidance to build more effective relationships by identifying key areas of differences that might have significant detrimental effects on the inter-organizational relationships.

With increased globalization and as more effective technology available, more work done will be done by joint teams of employees from multiple partners engaged in day-to-day work. The results from this research provide an understanding of how these employees' perception of differences in working culture could have a significant impact on the long-term relationship between partners. As Lane and Beamish (1990) suggest, managers of different organizations need to develop a detailed understanding of how cultures and other working systems of all partners in a relationship influence the performance of all the involved organizations. The conclusions from this research suggest that close attention needs to be paid to the type and extent of training provided to help managers (and employees) better understand the impact of differences in work culture on different performance and relational outcomes. Organizations should also invest in training their employees to identify ways to mitigate the impact of these differences on performance outcome as well as long-term relationships.

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SELF CONFIDENCE, AND THE ABILITY TO INFLUENCE

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ABSTRACT

This article examines whether individuals achieve greater interpersonal influence in peer groups, particularly related to purchasing, when they have greater social self confidence. Literature in this area has only considered the negative effects of low social self confidence on interpersonal influence, neglecting potential positive effects of positive self confidence. In our first study we survey a general US sample and find that greater perceived interpersonal influence is felt by those with greater social self confidence. In our second study we demonstrate through a field experiment that those with greater social self confidence influence the actual purchase decisions of their peers to a much greater extent than those with less social self confidence. The results demonstrate that greater levels of social self confidence lead a person to act as a de-facto leader, with peers following their purchasing behaviour as a consequence of the influence they exert.

Keywords: *self confidence, self efficacy, influence, perception, experiment*

INTRODUCTION

Self confidence and its role in allowing people to persuade others to undertake actions, including purchase decisions, has been an area of research interest for several decades in the social psychology, marketing and management literatures (Bandura, 1977; Chemers *et al.*, 2000). Research has found that leaders in organizations tend be more self confident, having stronger beliefs in their own abilities and opinions, allowing them to more effectively guide and manage employees (Bandura, 1988; Luthans and Peterson, 2002; Schyns and Sczesny, 2010). This paper explores whether self confidence plays such an important role outside of formal organizational contexts. We propose that people with social self confidence will emerge as natural leaders within any social context, directly influencing the purchasing behaviour of those around them.

SELF CONFIDENCE

Self confidence has been defined in a number of ways throughout the literature. These definitions generally involve belief in one's own abilities to perform (Bandura, 1977; Chemers, et al., 2000; Clark et al., 2008). The more generalised form of self confidence, where there is a generalised belief in one's ability, is theoretically distinct from the specific form of self confidence as used in this research; general self confidence is better defined as self esteem. Self esteem is an emotions-based assessment about one's self worth or value (Erol and Orth, 2011). The value judgement is self directed, that is, one feels oneself is of value, but the personal judgement is often externally driven (Park and Crocker, 2005). Self esteem is believed to have a basis in genetics and experiences during key phases of personal and physical development (Bandura, 1993; Erol and Orth, 2011).

The self confidence of interest to this study is task specific; with self confidence being a belief in one's ability to undertake a *specific* action to achieve an outcome (Bandura, 1977; Chemers, et al., 2000). For example, having the belief that one can search for information to support a purchase decision would be described as information search self confidence. This specific form of self confidence is believed to have a relationship with self esteem, but can develop independently as a consequence of experiences related to that specific task (Bandura, 1977, 1988; Park and Crocker, 2005). As people learn and undertake decisions they gain specific feedback about their abilities and thus develop the beliefs in those abilities, with those beliefs described as self confidence (Park *et al.*, 2007).

Task specific definitions of self confidence often arise from the need to address a particular research context, in the example given, a purchase decision. In all cases the definition addresses the belief in one's ability (Bandura, 1988, 1993). As this research is examining specifically interpersonal influence for purchase decisions the self confidence of interest for this research is *social* self confidence.

SOCIAL SELF CONFIDENCE AND INTERPERSONAL INFLUENCE

Social self confidence, sometimes termed social self efficacy, is a strong belief in one's ability to interact in social settings to build and/or maintain interpersonal ties (Bandura, 1993; Gecas, 1989; Paridon *et* al., 2006; Wright, 1975). People with low social self confidence tend to be more susceptible to the influence of others (Gecas, 1989; Pool *et al.*, 1998). This suggests low levels of confidence place a person into a subordinate position to others, and hence follow the behaviour of others in an attempt to be socially accepted. The reverse has received little attention (Chelminski and Coulter, 2007; Soyeon, 1996). How higher levels of social self confidence may lead a person to emerge as natural leader with an ability to influence the decisions of others remains unexplored.

Organizational literature has examined the role of self confidence in supporting leadership ability in formal management roles. It has been found that good managers tend to have leadership ability as a consequence of strong self efficacy (Beeftink, Van Eerde, Rutte, and Bertrand, 2012; Schyns and Sczesny, 2010). Further, such good managers tend to exert stronger influence over subordinates, with them being more effective at coordinating and delegating to others (Luthans and Peterson, 2002). This provides strong evidence for an indirect effect of self confidence on the ability to influence others. These findings are inherently linked to the formalized organizational structures in which the research was undertaken (Bandura, 1988). Organizations come with additional layers of power dynamics beyond the occurrence of self confidence, which will likely play a critical role in the ability to influence others (Chemers, et al., 2000; Luthans and Peterson, 2002). It has not been established that the relationship between self confidence and influence emerges organically in more natural social settings, and particularly with regard to peers.

Social self confidence would be expected to play an important role in the emergence of natural opinion leaders who are able to influence the decisions of peers. Individuals with greater self confidence are generally more motivated to undertake the behaviour in which they are confident. This arises from the belief that they are able to handle the full range of challenges that undertaking that behaviour can manifest (Chemers, et al., 2000; Schunk, 1990). In this case, social self confidence will lead people to be more sociable with those around them. They will have the belief that they can manage their social interactions, effectively dealing with the good and bad experiences that normally arise during social exchanges. A more sociable person will naturally create more social bonds in a peer group relative to others in the group, increasing their ability to influence all the members of the group through social contact (Berndt, 2002). This will lead their purchase behaviour to be more visible, and potentially more attractive to mimic among those around them, as it is a indicator of a higher social position in the group.

Not only can higher self confidence motivate a person to engage in a behaviour more often, research has found they more effectively manage their behaviour through time (Sanna and Pusecker, 1994; Zimmerman *et al.*, 1992). A person with greater social self confidence would be able to assess a social setting and understand their position within it. This assessment may not necessarily be directed towards achieving influence, but is likely to result in it. A person with greater social self confidence tends to spend more time and mental resources understanding the wider implications of their actions and managing external factors that can influence their personal social success (Bandura, 1990; Sanna and Pusecker, 1994). Self confidence leads them to focus less on their own abilities, as they believe they have those abilities and don't need to develop them (Bandura, 1990). Self confidence thus provides the opportunity for people to properly assess their social setting, leading them to engage in social behaviour that is more acceptable and appealing to peers, and also to make more socially acceptable decisions that are likely to then be subsequently copied by others.

The counter-effects of low self confidence also likely affect how much a person can influence their peers. People experiencing low self confidence with a task have been found to perform that task more erratically (Bandura, 1993; Bouffard-Bouchard, 1990). A person with low *social* self confidence, and the associated erratic social behaviour, would be far less predictable to those around them. An unpredictable and erratic person is unlikely to build or sustain great levels of interpersonal influence. Successful ongoing social relations require consistency; relationships need continuous and consistent maintenance for them to be retained (Carstensen, 1993; Gaine and Guardia, 2009; Peirce *et al.*, 2000). Without successful peer relations, a consequence of lower social self esteem, little opportunity is available for peers to be influenced or for purchase decisions to be observed and mimicked.

Another counter-effect of lower self confidence arises from its relationship with one's sense of control over one's life. Those with lower self confidence tend to see their lives as subject to external forces, with these external forces being of greater impact that their own decisions (Coffeea *et al.*, 2009; Gilbert and Malone, 1995). It is those external forces that determine how successful their undertakings are and not their own ability (Gist and Mitchell, 1992). Within social settings those with lower self confidence could see themselves as more subject to the decisions of others, and thus they would be less likely to attempt to influence those around them. While this does not provide direct evidence that those with higher self confidence will exert that control over their social setting it suggests that a relationship between higher self confidence and greater interpersonal influence is likely.

To examine the organic relationship between social self confidence and interpersonal influence in purchase decision this paper reports two studies. The first study examines perceptions of influence through the construct of opinion leadership and its relationship to social self confidence. The second study presents an experiment where people with high and low self confidence are used as seeds for a purchase behaviour among a group of peers. It is then observed whether the members of the group are influenced to a greater extent and mimic the act of purchase when the seed is high in social self confidence.

STUDY 1
DOES SELF CONFIDENCE LEAD TO PERCEPTIONS OF GREATER PEER INFLUENCE?

In this first study we examine whether there is a greater (lesser) perceived level of influence among those with greater (lesser) social self confidence. A perception of self confidence should be formed in line with the belief system underlying a person's self confidence (Bandura, 1977, 1993). Any formation of belief in the existence of a phenomenon, in this case social self confidence, will result in the perception of its presence (Smith, 2001). This reflects the emotional root of self confidence and posits a causal structure in line with theory about the relationship between beliefs and perceptions (Bandura, 1993; Chelminski and Coulter, 2007).

It is expected that the perception of self confidence will be *positively related* to perceptions of interpersonal influence. Perceived interpersonal influence is likely to arise as a consequence of the sense of control associated with increased self confidence (Chelminski and Coulter, 2007). It is important to note though that perceived influence is not a guarantee of the presence of actual influence; but, perceptions are more likely to arise in the presence of actual influence. This allows us to test for the presence of the psychological states that would arise should social self confidence lead to greater interpersonal influence.

METHOD

PARTICIPANTS

A sample of 221 people were sourced from a panel provider based in the United States. Participants were provided with a small financial incentive for their participation in this survey. Of the sample, 53% reported their gender as male and the average age was 36.2 years (*SD* = 12.7). Forty-five percent of the sample reported having completed at least a bachelor's degree level qualification.

MEASURES

The survey instrument consisted of several multi-item measures along with demographic questions intended to allow the assessment of sample quality. Perceptions of social self confidence was measured using the Generalised Social Confidence scale developed by Wright (1975). Perceptions of interpersonal influence were measured using an Opinion Leadership scale developed by Flynn, Goldsmith and Eastman (Flynn *et al.*, 1996). Previous research has found that *susceptibility* to interpersonal influence has a relationship with social self confidence. As susceptibility is likely to correlate with the ability to *exert* interpersonal influence on others (i.e. opinion leadership) a measure of susceptibility has been included to act as a control variable. Susceptibility to Interpersonal Influence is measured using the scale developed by Bearden, Netemeyer and Teel (1989). All items are measured on a seven point likert scale ranging from Strongly Disagree (1) to Strongly Agree (7).

PROCEDURE

Participants were approached through the interface of an online panel provider. Once they had accepted the invitation to participate they completed an ethics declaration. Participants then completed the multi-item measures and demographic questions. Upon completing the survey they received a small payment for their participation. Participants were prohibited from completing the survey more than once.

RESULTS AND DISCUSSION

As the multi-item measures were used as per literature their validity was not in question. However, to confirm validity principle component analysis was performed (*KMO* = 0.866; *Bartlett's Chi* = 3800.377, $p < 0.000$). No cross loadings were identified, however one item in the Social Self Confidence scale loaded onto a unique construct. Similarly three items from the Susceptibility to Interpersonal Influence scale loaded onto a unique construct. Because of the strong reports of validity from previous studies and the fact that no cross-loading was present to indicate poor *discriminate* validity it was elected to retain all items in all measures for the analysis. The reliability of each measure was also more than satisfactory for this research. The Cronbach's alpha for Perceptions of Social Self Confidence was .876; for Perceptions of Interpersonal Influence it was.895; and for Susceptibility to Interpersonal Influence it was .902. These results indicate good validity and reliability of the measures used.
The partial correlation of Perceptions of Interpersonal Influence and Perceptions of Social Self Confidence controlling for Susceptibility to Interpersonal Influence was found to be moderate and positive ($r = .409$, $p < .000$). This is in line with expectations; those with a greater perception of social self confidence generally perceive they have a greater ability to influence those around them.

STUDY 2
DOES SELF CONFIDENCE LEAD TO GREATER INFLUENCE?

The results of Study 1 indicate that perceptions of self confidence are related to perceptions of interpersonal influence. While perceptions are more likely to arise in the presence of actual confidence and influence they do not necessarily have to. In Study 2, we wanted to confirm these findings with actual confidence and actual influence. Research indicates that people with greater social self confidence are likely to be able to exert greater influence over peers' behaviour (Gecas, 1989; Pool, et al., 1998). For this study we undertook a field experiment in which we observed the spread of a purchase behaviour among peers when the behaviour was seeded with high versus low socially self confident people.

METHOD

PARTICIPANTS

Eighty adult males across four local European football teams were recruited to participate in this experiment. After seeking consent from all participants 66 of the team members were retained in the final analysis. The final sample sizes for each football team was 14, 14, 20 and 18. Two of the teams had members that were predominantly of Vietnamese ethnicity, and the other two teams had members that were predominantly of Anglo-European ethnicity. The ethnicity of the team was used as a blocking factor when the seeds were selected to control for its effect.

PROCEDURE

Participants completed an initial survey where their social self confidence was measured using a modified version of the Generalised Social Confidence scale developed by Wright (1975). The modifications were to make the scale specific to the football context; the modified items are documented in Appendix A. Responses were in the form of a five point likert scale ranging from Strongly Disagree (1) to Strongly Agree (5).The results of the survey were used to find the two people with the most and the two with the least social self confidence to act as confederate seeds in the subsequent experiment. Consent from participants was obtained for this survey and also for a vaguely described experiment that was to follow in the subsequent weeks.

The experimental phase treated each football team as a separate experimental unit. Two members of each football team were asked to be confederates. In two teams the confederates were the two members scoring highest in social self confidence in the initial survey, and for the other two teams the confederated were to two members scoring the lowest in social self confidence. The seeding of confederates provided the main manipulation in the experiment.

All confederates were asked to publicly buy and wear a rubber charity wrist band when they first went on sale to the team. These rubber bands then continued to be sold at matches and/or training through a separate confederate who was unknown to the team for a two week period; the teams met for a match or training only once per week during this period. The number of players that purchased the wrist bands was monitored during this period; this spread of purchase behaviour is the measure of interpersonal influence of the confederates. Two confederates were used for each team to ensure that the purchase behaviour was highly visible to all players but no more were used to ensure that social norms did not play a role, at least initially, in the experiment.

A final survey phase was also undertaken. This survey confirmed the observations regarding the purchase of the rubber wrist bands and asked additional questions about group behaviour. The main purpose of this final survey was to debrief the participants in the experiment and obtain full consent for their prior participation. Only participants from whom consent was obtained at all stages were retained in the analysis here. As a part of the ethics procedure all money spent by participants was refunded and a charitable donation of equivalent value to the purchase costs was made.

RESULTS AND DISCUSSION

The Cronbach's alpha for the adapted Perceptions of Social Self Confidence was .7657 (M_{sum} = 25.85, *SD* = 4.10). The reliability was satisfactory for this research. The validity cannot be assessed due to the limited sample size but strong validity results from previous studies suggest that validity would be present. The confederates in the high social self confidence manipulations all scored 33 apart from one who scored 29; and the low social self confidence confederates scored 17, 19, 21 and 22. This discrimination among participants provided a suitable basis for confederate selection for the experiment and establishes a reasonable basis for the manipulation.

Table 1
Purchase incidence by team/manipulation in Study 2

Confederate	Team	Size	Purchased
High Confidence	1	14	14
	2	20	19
Low Confidence	3	14	9
	4	18	11

There is a clear relationship between the social self confidence of the confederates employed and the subsequent purchase behaviour of the football teams. The confederates with greater social self confidence had much greater influence over the subsequent purchases of the team. The size of each team and subsequent number of players that purchased, including the confederates, can be seen in table 1. The teams seeded by highly confident confederates saw a purchase incidence of 96.7% among the remaining team members, compared to a purchase rate of only 57.1% among the teams seeded by a confederate will lower social self confidence. This relationship between purchase incidence (excluding the confederates) and the manipulation is highly significant, χ^2 (1, n = 58) =13.01, p < .00.

GENERAL DISCUSSION

Across the two studies we found support for the hypothesis that there is an organic relationship between social self confidence and interpersonal influence with regard to purchase decisions. These studies are the first to demonstrate that higher levels of social self confidence lead a person to emerge as natural leader with an ability to influence the purchases of others. Previous literature has only explored how people become more susceptible to influence as a result of lower levels of social self confidence (Gecas, 1989; Pool, et al., 1998). While organizational literature has suggested that self confidence may play a role in the emergence of leaders this study demonstrates that this occurs and that it occurs outside the structured organizational contexts (Beeftink, et al., 2012; Schyns and Sczesny, 2010).

The results of Study 1 demonstrate that increases in social self confidence leads to greater perceptions of interpersonal influence. While Study 1 is limited by its measurement of perceived influence instead of actual influence, perceptions are more likely to arise in the presence of actual influence. Study 2 provides a more direct test, showing experimentally that people with more social self confidence influence the decisions of others to a greater extent than those with less social self confidence. They emerge as a social leader with others following their decisions, in this case, their decision to purchase a product.

Social self confidence was theorised to play an important role in the emergence of natural opinion leaders capable of influencing the behaviour of others. Literature recognises that greater confidence in one's social ability motivates people to be more social (Chelminski and Coulter, 2007; Chemers, et al., 2000; Schunk, 1990). They feel capable of dealing with the challenges that being more social present, dealing with difficult people and social settings. Through greater sociability they will likely have more social ties naturally increasing their ability to influence others (Berndt, 2002).

Greater social self confidence can also lead people to more effectively manage their social relations. This management of social relations does not imply that they are managed towards a specific objective, but more effective management would build trust and foster greater influence compared to those who mismanage their social relations. Confidence gives people the ability to examine the wider implications of their behaviour as they need to dedicate fewer mental resources to assessing their own abilities, as they believe those abilities exist (Sanna and Pusecker, 1994; Wright, 1975). More social ties and the more effective management of them would be expected to lead those with greater social self confidence to achieve greater interpersonal influence, a theory supported by the researching findings here.

This research examined the relationship between increased social self confidence and interpersonal influence through a survey of a general population and through an experiment within established social groups. What has not been addressed is how interpersonal influence, as a consequence of social self confidence, may evolve in social groups that are still forming. Social groups that are still forming will have considerably more dynamic relations as individuals learn about each other assess how they fit into the broader social group (Bizumic et al., 2012; Hogg and Turner, 1985). Examining how such group formation and learning processes may influence the relationship between social self confidence and interpersonal influence could be undertaken in future research. Such research could involve replicating the experiment conducted here within social groups as various stages of development giving valuable insight into how social leaders develop within social groups that are still in their formative stages.

One limitation of the research conducted in this paper is linked to this area for future research. By examining existing social groups, mechanisms in addition social self confidence may also be playing a part in determining the extent to which they can influence the decision making of peers. The main focus on this research was on the external validity of the studies, hence real social groups were employed rather than artificial social groups that may have resulted in a higher level of internal validity. However, the validity of this role of self confidence in achieving influence has been amply demonstrated in previous research in organisational settings (e.g. Beeftink et al., 2012; Schyns and Sczesny, 2010). Future researchers wishing to examine social self confidence in isolation of its natural covariates could use statistical measures or laboratory based experiments to achieve this.

These findings have implications for the management of behavioural change in groups. Behavioural change in a group can be more effectively achieved by targeting those more likely to subsequently influence the purchase decisions of others (Clark et al., 2008). In this case, these individuals are those with greater social self confidence. The efforts of those managers attempting to change group behaviour will thus be re-enforced by the natural relationship between social self confidence and interpersonal influence (Bandura, 1988). Such management approaches would be useful when trying to reduce anti-social behaviour among target demographic groups, or promoting positive health behaviours among those groups.

Previous research had only considered people's susceptibility to interpersonal influence in social groups as a result of low self confidence (Gecas, 1989; Pool, et al., 1998). This research has shown that greater social self confidence leads to greater ability to exert social self influence over purchase decisions.

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APPENDIX A. ADAPTED GENERAL SOCIAL CONFIDENCE SCALE

This scale was adapted from the original scale by Wright (1975) for use in a football context. Responses were recorded on a five point likert scale ranging from Strongly Disagree to Strongly Agree.

1. I feel that I have a number of good qualities
2. I am sure that someday my teammates will respect me more
3. I do not worry about whether people judge me
4. I am not able to think as quickly as the others on the field
5. I often fear my actions will make others look down on me
6. I am capable of handling myself in most situations
7. In a team discussion, I am always fear that my opinions are inferior

USING CONTENT ANALYSIS TO PROFILE THE BLOGOSPHERE

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ABSTRACT

The purpose of this study is to provide primary research regarding the actual components of the most popular blogs on the Internet. Content analysis was used to examine the top 100 blogs by volume to compile a descriptive analysis of the characteristics of blogs, the revenue models used in blogging and the use of social media in the blogosphere. This research is the first major longitudinal study in the marketing discipline to analyze the actual contents of the most popular blogs, thus providing results that would be of interest to both the academic and business communities.

INTRODUCTION

Before discussing the academic literature that exists about blogs and blogging, it would be a good idea to define what a blog is, so that there is no uncertainty among readers. WordNet (2007) defines a blog as "a shared on-line journal where people can post diary entries about their personal experiences and hobbies; postings on a blog are usually in chronological order." According to the American Heritage Dictionary (2004), the verb "blog" means to write entries in, add material to, or maintain a web-log (an older name for blog). The most concrete definition of a blog is that it is a website where information is updated frequently and is usually presented in reverse chronological order with a list (or links) to other Internet sites, blogs, and news stories (www.cjr.org, 2003). Due to the wide range of topics that blogs cover, the information presented can be anything from an analysis of the President's latest speech to a review of a new camera or the reaction to a sporting event. In 2011, NM Incite (a Nielsen McKinsey Company) reported that the blogosphere consisted of 173 million blogs, a marked increase from the 35 million reported in 2006 using the same methodology (Nielsen, 2012).

A great deal of research has been conducted by marketing researchers and business and computer trade publications concerning the reasons as to why someone would decide to start and maintain a blog. Blogs are essentially online publications, designed to be read by someone, whether it be a large global audience or only an audience of a few people who are interested in the blogger's topic (Editors et al, 2002). Recent studies by Technorati and AOL's Digital Marketing Services shed light on some of the main reasons why people write blogs: to establish themselves as authorities or experts in a field, to create a public record of one's thoughts and opinions; to keep in touch with other people online, especially friends and family; and to use writing as kind of a tool for therapy or self-help (Ingram, 2007).

Blogging has also had a major impact in the media and news business as well. Many bloggers see it as part of their jobs to "fact-check" mainstream media (or MSM as it is abbreviated in the blogging world) and to push certain news stories that the bloggers feel that the MSM has either ignored or not given enough attention to (Hewitt, 2005). Blogging is "confronting journalism, with the rise of current-events blogs that deconstruct news coverage, spew opinion and even scoop the big media from time to time" (Palser, 2002, p. 58). Blogs are also allowing ordinary people's voices to have an impact in a way that was only possible in the past for those who had access to large media outlets, such as newspapers or televised news shows (Hewitt, 2005; Pierro, 2007).

Currently, businesses are using blogs to communicate with consumers and as a marketing tactic. Some of the possible benefits to a business blogging are that blogging can help to increase profit, increase website traffic and improve search engine rankings, recruit new employees, and communicate with coworkers (Ellsworth, 2007). Blogging can be used in public relations as a crisis communication tactic, since online postings can be put out on the Internet quicker than a traditional press release or news conference (Morgan, 2007). As businesses such as Boeing (Holmes, 2006), GM (Baker & Green, 2005) and Google (2009) run their own official blogs, issues of openness, trust, and source credibility will become more important to blog readers, consumers, and regulatory agencies.

While there have been a number of news articles and online discussions concerning blogs (especially among bloggers, the people who run the blogs), there has been little academic research on this topic, with most of the research being done in the management information systems, communication, and political science areas, rather than in the marketing arena (Lee et al, 2006; Wagner, 2006). One of the few marketing studies is Holzwarth, Janiszewski, & Neumann (2006) who discussed avatars (graphic representations of users or other people online) and their impact on shopping and browsing habits on websites, including blogs. Singh & Singh (2008) also analyzed how entrepreneurs could use blogs as part of their marketing effort while Pan et al (2007) covered how blogs were being used as marketing tools in the travel industry. Chiang & Hsieh (2011) used structural equation modeling to explore the different possible impacts of blogs as marketing tools on the consumer population. In the last few years, there have been multiple academic papers published concerning blogs and politics. Current major academic studies include Wallsten's (2007) analysis of the relationship between the blogging world and mainstream media and Hayes et al.'s (2007) study on the impact of blogging and the credibility of journalists. From a public relations perspective, Trammell (2006) outlined the integration of blogs into presidential candidate websites, Davis (2009) discussed how political journalists use blogs to inform their readers while Schoroeder (2006) addressed the dilemma of whether an employee should or should not blog about work. Herring and Paolillo (2006) also examined content on blogs in terms of gender stylized writings of the blog authors. However, no marketing studies have examined the actual make-up or components of the blog itself.

THE BLOGGING WORLD OR BLOGOSPHERE

In June 2003, over four million Americans went online and accessed blogs to find out breaking news and information about the war in Iraq (Rainie et al, 2003). In November 2004, Pew Internet studies reported that 8 million Americans (or around 7% of the 120 million US adults who use the Internet) said that they had created a blog; however, at that time 62% of US adult Internet population did not know what a blog was (Rainie, 2005). By February 2005, over 32 million Internet users were also blog readers (Rainie, 2005) with the blogging world almost doubling in size about every 6 months (Sifry, 2006). Technorati's State of the Blogosphere Report showed there to be approximately 72 million blogs in 2007 (Technorati, 2007). While the growth rate of blogging in the US has slowed down, the growth of blogs outside the US is rising at a much faster rate than in the US. Since most of the main business trade publications are blogging (e.g., Wall Street Journal, Business Week, Advertising Age, to name a few.), it is ironic that there is such a severe lack of research in the academic world of business disciplines.

OBJECTIVES

The purpose of this study is to provide primary research regarding the actual blog itself. The research questions that will be addressed are: (1) What are the characteristics of a blog?, (2) What revenue models are utilized for blogs?, and (3) How connected are the blogs with other social media? The study utilizes content analysis to answer these research questions.

Content Analysis

While content analysis is a standard data collection tool used in advertising, it is only recently that this technique has been applied to websites (Macias & Lewis, 2003-4). Content analysis was also used by Bichard (2006) to investigate communication framing dimensions of time, space, tone, and topic on the official blogs of presidential political candidates in 2004 election. Macias & Lewis (2003-4) studied what information was presented on prescription drug websites. This research will extend the use of content analysis further into the world of the Internet, specifically targeting blogs.

Content analysis (sometimes called textual analysis in the social sciences) is a standard methodology for studying communication, especially in print and visual media. Holsti (1969) offers a broad definition of content analysis as "any technique for making inferences by objectively and systematically identifying specified characteristics of messages." Advertisements, interviews, brochures, and websites are a few of the different forms of communication vehicles that have been analyzed by content analysis. Topics that can be addressed can vary from an analysis by gender and race of spokespersons in print and television advertisements during a set time period to whether prices are given in numeric or general terms in newspapers ads. Content analysis is a very flexible form of data collection, which is why is has expanded to the Internet and why it was used as the data collection method for this study.

Research Procedure

To conduct a content analysis of the top 100 blogs, a sample list of 110 blogs was pulled based on Internet volume rankings; the extra ten blogs were to insure that the final usable sample was at least that of a hundred total blogs. During the year, a screen capture of each blog was saved for coding purposed. The screen capture contained the blog's complete postings along with advertisements and any other data for a 24-hour time period. A printed copy of the screen capture was made as well for back-up purposes. While most blogs contain archives of previous posts, these archives cannot be used for this data collection, since they usually contain only the postings for the day and not the advertisements nor the links, which are some of the important variables that were measured in this study. Two to three blogs a week were randomly sampled (from the list of 110 blogs) during the year. A longitudinal sample design is being utilized to mitigate the impact of a single current event on data collection. The sample design utilized 100 blogs from the sampling frame; six blogs were dropped from the list due to inactivity or adult content.

Table 1
TECHNOLOGY AND SOCIAL MEDIA TERMS

Type of Social Media	Explanation	Examples
Social Networking	Share and communicate personal and business information	Facebook, MySpace, LinkedIn
Microblogging	Blogging that is text based (around 140 characters or less)	Twitter, friendfeed, tumblr, microblogr
Media Sites	Sharing various types of media, especially videos and photographs	YouTube, flickr
RSS	Really simple syndication	Updates from websites that are sent to a computer
Social Bookmarking or News	Rating of news stories as either "like" or 'dislike"	del.icio.us, StumbleUpon, digg
Permalink	Permanent link that points to a specific entry on a blog	Will be noted on the website as a permalink
Trackback	System used to notify when another website has linked to the author's entry on a website	This allows authors to keep track of who is linking or commenting on their writing

A coding guide was created to analyze the data on each of the blogs. A coding guide is similar to a survey used in research except that the researcher will fill in the coding guide with information pulled from the blog instead of information given to the researcher over the phone or in person. The coding guide contained places to record the following information: blog characteristics (number of postings for the day, blog run by an individual or group, are the individual(s) anonymous, comments allowed or not, trackback and permalink capability, use of tags and/or categories, archives, and major blogging topic), revenue information (donations asked for, form of donation, onsite store, allow advertisements, how many advertisements, sponsorship by a media group, and membership in a blogging network), use of social media (post sharing, use of various social networking sites like Facebook, MySpace and twitter, posting of video or audio, photo sharing, RSS feeds, and games), and audit information (name of blog and web address, blog ranking, date blog sampled, and coder). A sample of the coding guide used in the research study is included in the Appendix and Table 1 contains explanations of many of the social media and technology terms used in this paper.

RESULTS OF THE CONTENT ANALYSIS

The further results of the content analysis will be divided into three sections that coincide with the research questions outlined earlier in the paper. Table 2 summarizes these results that are discussed in detail below.

Characteristics of the Blogs

Out of the total sample of 100 blogs, nearly half of them were run as group blogs (49%), while 39% of the blogs were run by an individual while researchers were unable to identify twelve of the blogs as either run by an individual of a group. Seventy four percent of those blogging used their real name with everyone else using some form of an avatar or alias while blogging. A third of the blogs only recorded one post per day; however, there was a wide variance in the number of postings per day-anywhere from one to sixty posts per day. Over half of the blogs saw four posting a days or less, but there were a few outliers that posted very heavily (30 plus posts) each day. Eighty three of the blogs allowed readers to post comments on the blog, which closely matched up with the number (81 or 81%) that allowed readers to search the blog if they wished to. Very few blogs had trackback (11) or permalink (20) capabilities (See Table 1 for definitions and explanations of technical terms). Nearly half (48) of the blogs had official archives for the blog with a majority of the bloggers not using tags (60) nor categories (53) with their blog posts. Politics (13%) and technology (36%) were the most popular main subjects of the blogs sampled, followed by business/economics (9%), general entertainment (7%), sports (7%), products or consumer oriented (7%), celebrity/gossip (6%), and personal blogs (5%). The topics of gaming, religion, fashion/style, and hobby/home all came in with less than five percent of the blogs having those subjects as the main subject of the blog.

Revenue Models for Blogs

This study looked at four major means by which a blog could generate revenue: donations, selling, advertising, and network support. Ninety percent of the blogs did not accept donations of any kind to support the blog. For those blogs that accepted donations, Paypal and Amazon were the most popular means utilized. Nine of the blogs had a section of the blog that could only be accessed by paying subscribers. Twenty nine of the blogs had online stores set-up that sold everything from t-shirts and coffee cups with the blog logo to autographed books. Eighty eight of the blogs used advertising to help support the blog with a majority of the blogs (51%) having four or less advertisements embedded in the site. However, twenty nine of the blogs were heavy users of advertising since they each contained ten or more advertisements during a twenty four hour period. Twenty six of the blogs were connected to one of the traditional mainstream media sites (ex. AOL, CBS) while almost half (45) were part of a blogging network (ex. BlogHer, Pajamas Media); however many of the blogging sites that were affiliated with the traditional media sites did not predominately feature that association on the blog site. Most of the blogs do seem the follow the traditional newspaper/magazine model of being supported predominately by advertising revenue with other supplemental streams of income from donations, premium content, or online stores.

Social Media and Blogs

While blogging itself is a social media, the study was also interested in how much the blogosphere employed the other social media within their blogging sites. Seventy three percent of the blogs used some form of social media with their posts to share those posts with other blogs or readers. The most popular means to share posts were through digg (55%), email (47%), twitter (45%), Facebook (43%), del.icio.us (37%), tumblr (34%), Yahoo and Reddit (25% each), MSM (17%), MySpace and Google (16% each) and Technorati (13%). Other social bookmarking sites such as Newsvine (7%) and Pluck (2%) were rarely used by the blogging sites. A majority (57%) of the blogs used at least four of the social bookmarking services to share posts with other websites. Eighty six of the blogs used RSS feeds to broadcast their content with seventeen of the blogs having at least one podcast posted on the site. Nearly a majority of the blogs (49) contained a video either shot and posted by the blogger or embedded in the blog from another site such as YouTube. The social networking sites of Facebook (18), MySpace (5) and LinkedIn (4) were not very popular with bloggers, but forty-nine percent of the bloggers had a link on the blog to either their twitter account or an actual running feed of their twitter "tweets" shown on the blog. Eight of the blogs were linked with photo-sharing sites while twenty two percent of the blogs were running some type of game, contest, or poll on the site. Overall, it is not surprising that the blogosphere was heavily integrated into many of the popular social media sites.

Table 2 MAJOR FINDNGS	
A majority of bloggers post four times or less in a twenty four hour period.	Nearly all of the sampled blogs allowed comments by users.
There is a mixture of individual and group run blogs online.	Most bloggers do not blog anonymously- it is common to use your own name online on the blog.
The most popular blogging topics are politics and technology.	Almost half of the blogs sampled were affiliated with a blogging network.
A majority of blogs brought in revenue through advertisements; very few took donations or sold items through their online store.	The blogosphere is heavily integrated with social media with a majority of blogs using at least four social media sites to share posts.
Close to a majority of blogs used YouTube and interfaced with a Twitter account.	RSS feeds were used by most blogs to help broadcast content.

LIMITATIONS OF RESEARCH

The longitudinal sampling procedure was implemented in order to remove the biases that a short term sample would cause; however it does not mean that there are no limitations to the research conducted. Due the fast changing nature of technology and blogging in general, a similar study conducted even a year later could receive much different results in regard to the social media used, the networks linked to, and the sampling frame. For example, Twitter was extremely popular among the blogs sampled; however, the popularity of Twitter could decline or it could be replaced by any number of new social media sites (such as Tumblr or Pinterest). Many of the blogging networks sampled in the survey were quite new to the table (ex. Pajamas Media); they could certainly be supplanted by upcoming networks or linked to existing networks run by traditional media companies. Given the fact that over time many bloggers (those writing the blogs) retire from blogging and that new blogs are formed daily, there is a normal turnover in the blogging population which would alter the sample. If this research had been conducted in a year where there were major political events (i.e. a US Presidential election or a highly engaging political controversy), the number of blogs that were political in nature would probably be more highly represented in the research as well. Obviously any other major news event that would correspond to the general subject areas categorized in the study would impact the sampling in those corresponding categories.

MARKETING IMPLICATIONS

Given the finding from this study, there are many implications to be addressed for both marketing practitioners and the field of marketing in general. First, in the future, blogging networks will continue to have a significant presence in the blogosphere. Associations with these networks will help to drive traffic to member blogs; therefore, any new bloggers would be well-served to align with these established networks. On the other hand, many of the blogging networks (ex. SB Nation, Boarding Area) are on the lookout for existing blogs to add to their network. Both parties can benefit by this arrangement: the network brings in a well-know "brand" with an existing reader base while the blog benefits from the increased exposure and support from the network. Many of the blogging networks also aid in the recruitment and placement of advertisements on member blogs- this is an important element to the health of a blog since advertising is a major revenue streams for many blogs. It is expected that the blogosphere will continue to spend time and effort in integrating the other social media vehicles with their blogs. The ability to share content across multiple social media platforms will lessen the amount of content creation that bloggers will have to generate to keep the blog updated. For example, an interview that is posted on YouTube can also be embedded into the blog, the link can be placed in a Twitter "tweet", integrated into a Tumblr post, updates sent out through RSS feeds, and screen captures from the interview used in either Instagram or Flickr to name a few options. Group run blogs are likely to become more popular as well due to the amount of work needed to maintain the blog and to keep the content fresh for their readers. This will also reduce the amount of blog burnout that is experienced by bloggers and possibly lengthen the product life of the specific blogs that employ this tactic. Due to the rise in popularity of blogs in general, the effort to retain customers (or readers) will become more and more important given the competition between blogs and the many substitutes that exist online. Over the years, many content delivery systems have waxed and waned in popularity in the blogosphere. New content delivery systems will be needed that help to facilitate the placement and purchase of advertising space along with the integration of selected social media vehicles for online and mobile delivery.

CONCLUSION

This research study illustrates the characteristics that currently compose the most popular blogs in the Internet realm. This is useful information for anyone, or any company, who wishes to enter the blogosphere to know the tools that the currently successful blogs are utilizing. For those blogs that currently exist, it gives a snapshot as to what tools competing blogs are utilizing. Overall, the blogging world is a highly networked place with a majority of the tools geared to either linking other sites to the blog or to reaching new markets (readers) to pull into the blog readership. This blog readership will increase circulation figures for the blog making the blog more valuable to advertisers and to other related blogs and blogging networks. The social media will continue to play an important role in the blogosphere helping to either add a multimedia flavor through video or audio and to add another communication channel, like Pinterest or Tumblr, into the mix to draw blog traffic and interest. Overall, the blogosphere is a very diverse place of opinion and tools with each blog having its own unique flavor of technology and communication to offer its audience.

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APPENDIX

Coding guide used in data collection.

Content Analysis

Blog Number:______________________
Coder:____________________________

Circle correct answer or fill in the blanks as appropriate.

How many bloggers? Individual Group (number: ______)

Blogger using an avatar/alias? Yes No Both

Posts day:__________

Comment section	Yes	No
Trackback capability	Yes	No
Permalink capability	Yes	No
Search capability	Yes	No
Archives	Yes	No
Use tags?	Yes	No
Use categories ?	Yes	No
Featured posts/comments?	Yes	No
RSS feed?	Yes	No
Atom feed?	Yes	No
Podcasts?	Yes	No
Video embedded?	Yes	No
Twitter	Yes	No
Facebook	Yes	No
MySpace	Yes	No
LinkedIn	Yes	No
Online community inside blogging site	Yes	No
Mobile Apps?	Yes	No
Widgets?	Yes	No
Online Radio?	Yes	No
Games/Contests/Polls	Yes	No
PhotoSharing sites	Yes	No

Share posts (social bookmarks) Yes No

If so, which sites? Check which one(s) is/were provided.

Print	_____	Email	_____
Feedburner	_____	Furlit	_____
Yahoo	_____	Search FOX	_____
My AOL	_____	Newsburst	_____
My MSN	_____	NewsGator	_____

Pluck	_____	MySpace	_____
digg	_____	Facebook	_____
del.icio.us	_____	Twitter	_____
StumbleUpon	_____	Other	_____

Accept donations to blog? Yes No

If yes, how?(Circle) Paypal Amazon Wishlist

Money Amazon Affiliate Other

Subscription/Premium content Yes No

Has own online store? Yes No

Advertising Yes No

If yes, how many ads: _________

How many sponsors? _________

Is blog part of magazine/newspaper/news media? Yes No

Part of blogging network? Yes No

Subject of blog (Circle main subject):

Politics/Election Technology Sports

Milblog Personal Business/Economic

Gaming Religion SciFi

Products/Consumers Fashion/Style Law/Legal

Ethics Science Entertainment

Hobby/home Celebrity/Gossip Other:

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THE USE OF ADVERTORIALS IN WOMEN'S AND TEENS' FASHION MAGAZINES, PRE- AND POST-RECESSION

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ABSTRACT

This paper examines the use of advertorials in women's and teens' fashion and beauty magazines. Results of a content analysis of samples from 2007 and 2011 show that advertorials increased in number and percent, with the greatest growth in the teen magazines. By 2011, the percent of advertorial pages was significantly greater in the teen magazines. Consistent with prior research including fashion and beauty magazines, over 90% of the advertorials were properly labeled; however, the study revealed two practices—magazine sponsorship and advertising-advertorial adjacencies—that may deserve further attention.

INTRODUCTION

The use of print ads designed to look like the editorial content of the publication in which they are contained, known as advertorials, is a long-standing practice in print advertising. Because of their potential to mislead the viewer into thinking that the content of the advertisement comes from the publisher rather than the advertiser, advertorials have been the subject of considerable scrutiny (Hausknecht, Wilkinson & Prough, 1991; Sandler & Secunda, 1993; Kim, Pasadeos & Barban, 2001). In spite of only indirect evidence of their effectiveness and concern over potential deceptiveness, the format has not only persisted but appears to have grown more popular over time (Stout, Wilcox & Greer, 1989; Ju-Pak, Kim & Cameron, 1995).

Advertorials are particularly common in magazine advertising (Donaton, 1992). In a study of advertorials in seven different magazine formats, Ju-Pak et al. (1995) found that women's magazines had the highest number of advertorials, with fashion magazine *Glamour* carrying, on average, the most per issue. In addition to the relative abundance of advertorials in fashion magazines, the fashion magazine presents an interesting study of the boundaries between paid promotion and editorial content because of the nature of the editorial content of these magazines. Unlike other magazine formats, the editorial content in fashion magazines is itself largely focused on product news and advice—content very similar to much of advertising. In fact, much of the content in a fashion magazine mentions brand names and buying information, creating a perfect context for an editorial-style advertisement.

Although the fashion and beauty magazine genre is dominated by magazines for adult women, there are also magazines for teen girls in the category. Magazines aimed at teen girls have generated concern on the part of consumer advocates due to the vulnerable nature of the teen market. Although teens may look and behave as adults in many respects, their cognitive abilities are not fully developed, and there is evidence to support that understanding of advertising tactics is still developing in teens (Bousch, Friestad & Rose, 1994). As many consider advertorials to be inherently deceptive—enough so to require disclosure—their usage in teen magazines is of particular interest.

According to the Magazine Publishers Association (2011a), magazine audiences grew faster than newspaper or television audiences between 2006 and 2011. Nonetheless, the industry was hit hard by the 2007-2008 recession. Magazine ad spending declined 7.6% in 2008 and 19.3% in 2009 before beginning a slow recovery (Nielsen, 2009; 2010; 2011). The recession not only affected ad spending, but also advertising strategies. Among the changes, according to one study (Lee, Taylor & Chung, 2011), was a shift from away from transformational to more informational ad messages, message approach well-suited to the advertorial format.

In light of the advertorial-friendly content of fashion and beauty magazines, the special issues inherent in advertising to younger audiences, and the tough economic environment facing magazines, the purpose of this study is to compare the prevalence and usage of advertorials in women's and teens' fashion magazines in the U.S., before and after the economic downturn of 2007.

LITERATURE REVIEW

As defined by Cameron, Ju-Pak & Kim (1996, p. 722), an advertorial is a "paid-for, commercial message, featuring any object or objects (such as products services, organization, individuals, ideas, issues etc.) that simulates the editorial content of a publication in terms of design/structure, visual/verbal content, and/or context in which it appears." Advertorials are sometimes described as a print equivalent to the more familiar infomercial, a program length commercial which is designed to look like television programming. Advertorials and infomercials can be seen as belonging to a larger category of promotional communication that "blurs the boundaries" (Sandler & Secunda, 1993) between paid promotion and content, a category that includes product placement and certain types of sponsorships (e.g., sponsored journalism, masked spokespeople), also called "hybrid messages" (Balasubramanian, 1994). Unlike other hybrid messages, advertorials and infomercials are technically "true" advertisements in that the sponsor pays for the time or space in mass media for a message it has prepared. This can be contrasted with product placement, for example, which, though contractually guided, is executed by the content provider.

There are several reasons an advertorial might be attractive to an advertiser. First, advertorials may benefit from greater attention than traditional advertising, which audiences are accustomed to tuning out. Elliot (1984), for example, found that people were five times more likely to read editorial content than ads. Kim et al. (2001) found that an advertorial format increased participants' attention to the written message over the use of a standard advertisement format. Greater attention is also likely to result in better memory, as Kim et al. (2001) found in their study. In addition to attention, an advertiser may benefit from greater source credibility if the audience perceives the content provider (e.g., the magazine) rather than the advertiser to be the source of the information. The beneficial effects of source credibility on attitude change and persuasion are well-established (Hovland & Weiss, 1951; Sternthal, Dholakia & Leavitt, 1978; Kang & Herr, 2006). Robinson, Ozanne & Cohen (2002) found that advertorials perceived as articles were more believable, and Hausknecht et al. (1991) found that an advertorial version of a newspaper ad had more credibility among subjects with less product knowledge. In addition to attention and source credibility, it has been suggested that advertorials might be more effective simply due to the fact that they contain more information. Van Reijmersdal, Neijens & Smit (2005) reported that "readers found mixtures [of editorial and advertising] more amusing, informative, and less irritating than conventional advertisements."

Unfortunately, two of the three reasons for the advertorial format—attention and source credibility—potentially involve an element of deception. If an advertorial gains more attention because it has "fooled" the reader into greater involvement (Kim et al., 2001), then an element of deception has been introduced. Similarly, if advertorials "borrow" credibility by appearing to be objective, unpaid features of the publication, then the enhanced effectiveness is based upon deception. For this reason, advertorials have been criticized by advertising watchdogs. As stated by the FTC, any advertising that "has the potential to deceive a reasonable person" is verboten in the US. Although the FTC has not pursued a case involving print advertorials, its guidelines for infomercials require that they do not deceptively mimic the format of other programming, and it has required disclosure of paid advertising before infomercials ("FTC Advertising FAQ's," 2013). In this spirit, the American Society of Magazine Editors (ASME) has created a set of voluntary guidelines for advertorials. These guidelines include that advertisements that could be mistaken for editorial content should be labeled and that magazine logos cannot be used on pages of an "advertising section ('advertorial')," although they are permitted on pages promoting the magazine's "products and its marketing partnerships" ("ASME Editorial Guidelines," 2011).

Several studies support the general impression among consumers that advertorial usage has increased over the years. Stout et al. (1989) documented a rapid growth in usage among eight consumer magazines during 1980-86; Donaton (1992) indicated that total expenditures on advertorials had more than doubled from 1986-1991; and Ju-Pak et al. (1995) found that the number of advertorial pages increased more than 50% during the early to mid-1990s. The most common reason given for the growth of advertorials is the growing number of advertisements in general and, following the potential for greater attention discussed above, advertisers desire to "break through the clutter." Another factor that might contribute to growth that has not been examined is economic conditions.

It is well-known that advertising is among the first expenses that get cut during difficult economic times, and the experience of the U.S. recession that began in December of 2007 was no different. Measured media ad spending declined from $133.1 billion in 2007 to $117 billion in 2009 (Nielsen, 2009; 2010). Following the general trend, magazine ad spending also fell. The economy also affects the types of advertising used, for example, the growth in "hard sell" fear tactics during the Great Depression (Goodrum & Dalrymple, 1990). More recently, the 1990-91 recession was cited for causing relaxation in media ethics, including asking for money for inclusion in features and an increase in "special advertising section" advertorials (Lipman, 1991). Following the 2007 recession, Pollack (2010) reported that advertisers turned to value messages, reassurance messages, and patriotic messages, and Lee et al. (2011) found fewer transformational and more informational ads for financial services.

RESEARCH QUESTIONS

Based on the above review of the literature, the following research questions were formulated:

R1 *Has the usage of advertorials in fashion and beauty magazines increased from 2007 to 2011?*

R2 *What is the relative frequency of usage in women's versus teens' fashion and beauty magazines?*

R3 *Are magazines employing practices that lessen the potential for deception in advertorials?*

R4 *What is the representation of different product categories in advertorials, across years and targets?*

METHOD

The two leading (highest circulation) fashion and beauty magazine titles for each target were chosen for analysis: *Cosmopolitan* and *Glamour* for women, and *Seventeen* and *Teen Vogue* for teens. *Cosmopolitan* and *Seventeen* are published by Hearst Publications and *Glamour* and *Teen Vogue*, by Conde Nast. The two heaviest advertising issues (March and September) for each magazine for the years 2007 and 2011 were examined, for a total of 16 issues.

The unit of analysis was the full, single- or multiple-page, ad. One hundred sixty-one single- or multiple-page advertorials, totaling 211 pages, were identified for analysis. Advertorials were identified by the presence of the label "advertisement" or "promotion" or the use of fashion and beauty editorial characteristics such as multiple products, editorial-type copy (e.g., advice, tips), and editorial-type fonts.

In addition to advertorial labeling (required by ASME) and the presence of the magazine's name or logo (forbidden by ASME guidelines), advertorial-ad adjacencies were included for analysis. Advertorial-ad adjacencies are advertorials preceded or followed by unlabeled, non-advertorial advertisements for the same brand. Although advertorial-advertising adjacencies are not prohibited by ASME guidelines, guidelines do prohibit editorial-advertising adjacencies. Some advertisers chose to label traditional ads adjacent to advertorials for their products while others did not. Given the prohibition on editorial-ad adjacencies and the inconsistencies in labeling by advertisers, coders agreed to code the advertorial-ad adjacencies.

Product categories were determined by examining the specific products advertised and then grouping them into categories. Starting with categories used in previous research on women's magazine advertising (Mastin, Coe, Hamilton & Tarr, 2004; Morris & Nichols, 2013), a typology was developed that, along with the category "multiple products," captured over 90% of the products in eight categories: clothing/accessories, events, food/drink, health, issue/advocacy, leisure, retailer, skin care/cosmetics.

Magazines were coded independently by two individuals. As most of the categories involved objective rather than subjective items (e.g., page counts, labels, product name), following Ju Pak et al. (1996), simple percent agreement was used as the reliability measure. Using a conservative unit of analysis (advertorial, not item), an initial inter-coder agreement of 88% was reached, with all but three discrepancies being clerical errors. The three disagreements in judgment involved unlabeled advertorials and were resolved through discussion.

RESULTS

Table 1
ADVERTORIAL USAGE IN FASHION MAGAZINES (MAR+SEPT 2007, 2011)

	2007		2011		Tests of Significance
	#	%	#	%	Chi-square
Advertorials[1]	68	7.78	93	12.50	10.11***
Advertorial pages[2]	86	7.16	125	12.10	15.84***
Labeled advertorials	64	94.12	86	92.50	.17
Adjacent to ad	17	25.00	24	25.80	.01
Magazine sponsor	48	70.60	55	59.14	2.23

*p≤.05, **p≤.01, ***p≤.001
[1]% base is total single or multiple page ads: n (2007, 2011) = 874, 742
[2] % base is total full page ad pages: n (2007, 2011) = 1202, 1034
All other % bases are total advertorials: n (2007, 2011) = 68, 93

As shown in Table 1, advertorials increased in number and as a percent of ads and ad pages from 2007 to 2011. As expected, given the impact of recession on advertising, total ad pages declined during the period. The percentage ads judged to be advertorials but unlabeled was below 10% of total advertorials and remained relatively unchanged from 2007 to 2011. The percentage of advertorials adjacent to unlabeled, traditional (non-advertorial format) ads for the same product also remained fairly stable at 25-26%. Well over half of the advertorials in both years included the name of the magazine, as either a sponsor or co-sponsor of the message. This percentage declined slightly, but insignificantly, from 2007 to 2011 (70% vs. 59%).

Table 2 shows the results by target category (women versus teens). Advertorials increased from 2007 to 2011 in both absolute terms and as a percent of total ads for both categories, although the increase was only significant for the teen category: advertorials increased from 8.03% to 15.13% (χ^2 = 8.65, p $\leq$ .01) of total ads and advertorial pages increased from 7.89 to 16.14% (χ^2 = 15.46, p $\leq$ .001) of total ad pages in the teen magazines. By 2011, the percent of advertorial pages was significantly greater in the teens' versus the women's sample (16.14 vs. 9.44; χ^2 = 10.43, p $\leq$ .01).

Table 2
COMPARISON OF ADVERTORIALS IN WOMEN'S AND TEENS' MAGAZINES

	2007				2011				Tests of Significance			
	Teens'		Women's		Teens'		Women's		Teen vs. Women (2007)	Teen vs. Women (2011)	2007 vs. 2011 (Teen)	2007 vs. 2011 (Women)
	#	%	#	%	#	%	#	%	Chi-square	Chi-square	Chi-square	Chi-square
Advertorials[1]	31	8.03	37	7.58	46	15.13	47	10.73	.31	3.17	8.65**	2.77
Advertorial pages[2]	42	7.89	44	6.57	66	16.14	59	9.44	.36	10.43**	15.46***	3.65
Labeled advertorials	29	93.54	35	94.59	39	84.78	47	100	.86	7.73**	1.38	2.60
Adjacent to ad	1	3.22	16	43.24	15	32.61	9	19.15	14.41***	2.20	9.71**	4.24*
Magazine sponsor	27	87.10	21	56.76	27	58.70	28	59.57	7.48**	.01	7.13**	.795

*p≤.05, **p≤.01, ***p≤.001
[1]% base is total single or multiple page ads: n (2007, 2011) = 386, 304 (teen); 488, 438 (women)
[2] % base is total full page ad pages: n (2007, 2011) = 532, 409 (teen); 670, 625 (women)
All other % bases are total advertorials: n (2007, 2011) = 31, 46 (teen); 37, 47 (women)

With respect to potentially problematic practices, the percent of advertorials adjacent to (non-advertorial) ads for the same product increased from 3.22% to 32.61% between 2007 and 2011 in the teen sample (χ^2 = 9.71, p $\leq$ .01). Consequently, in contrast to the 2007 sample, by 2011 there was no significant difference in this practice between the two categories. However, the percent of advertorials with a magazine sponsor declined significantly in the teen sample from 2007 to 2011 (87.10% vs. 56.76%; χ^2 = 7.13, p $\leq$ .01), so that, again, by 2011 there was no significant difference in this practice between the two categories. There was a slight and insignificant decline in the percent of advertorials that were labeled in the teen magazines between 2007 and 2011, and a similarly insignificant increase in the percent in women's magazines, so that by 2011, the percent labeled was significantly higher in the women's versus the teens' magazines; however, the percent labeled in both categories was relatively high (100% versus 84.78%; $\chi^2 = 7.73$, $p \leq .01$).

Table 3 shows the distribution of product categories in the advertorials. Advertorials featuring multiple products under a single heading as a single ad were the most consistently popular type, representing from 19.57% to 29.73% of the advertorials across target categories and years. Many of the multiple-product advertorials were sponsored by the magazines, with headings such as "Glamalert," "Teen Vogue Chic Clique," and "Cosmo Hot Spot." In 2007, advertorials for clothing and retailers were more common in the teen magazines (clothing: 16.13% vs. 2.70%; $\chi^2 = 3.78$, $p \leq .05$; retailers: 12.90% vs. 0.00%; $\chi^2 = 5.07$, $p \leq .05$), while advertorials for skin care/cosmetic products were more common in women's magazines (21.74% vs. 6.45%; $\chi^2 = 5.91$, $p \leq .05$), but in 2011 there were no significant differences in product categories between the teen and women's samples. Clothing declined as a percent of total advertorials between 2007 and 2011 (8.82% vs. 2.15%; $\chi^2 = 3.70$, $p \leq .05$), largely due to its decline in the teen sample, and leisure products—a category that included computer "apps" as well as television and movies—increased as a percent of total advertorials (13.24% vs. 25.81%; $\chi^2 = 3.81$, $p \leq .05$).

Table 3
PRODUCT CATEGORIES FEATURED IN ADVERTORIALS IN WOMEN'S AND TEENS' MAGAZINES

	2007		2011		Tests of Significance				
	Teens' (n = 31)	Women's (n = 37)	Teens' (n = 46)	Women's (n = 47)	Teen vs. Women (2007)	Teen vs. Women (2011)	2007 vs. 2011 (Teen)	2007 vs. 2011 (Women)	2007 vs. 2011 (Total)
	%	%	%	%	Chi-square	Chi-square	Chi-square	Chi-square	Chi-square
Clothing	16.13	2.70	4.35	0.00	3.78*	2.09	3.11	1.29	3.70*
Events	12.90	8.11	10.87	6.38	0.42	0.60	0.07	0.09	0.13
Food/drink	0.00	8.11	4.35	2.13	2.63	0.37	1.38	1.63	0.15
Health	0.00	5.41	0.00	2.13	1.73	0.99	0.00	0.65	0.75
Issue/advocacy	6.45	0.00	0.00	2.13	2.46	0.99	3.05	0.80	0.75
Leisure	9.68	16.22	28.26	23.40	0.63	0.29	3.89*	0.66	3.81*
Retailer	12.90	0.00	2.17	4.26	5.07*	0.32	3.51	1.61	0.67
Skin care/cosmetics	6.45	29.73	21.74	29.79	5.91*	0.79	3.29	0.00	0.99
Multiple products	25.81	29.73	19.57	21.28	0.13	0.04	0.42	0.79	1.23
Other	9.68	0.00	8.70	8.51	3.75*	0.00	0.02	3.31	1.08

*p≤.05, **p≤.01, ***p≤.001

DISCUSSION

By every measure examined in this study, advertorial usage appears to have increased from 2007 to 2011. This result is consistent with the growth in many practices that have been identified as "blurring the boundaries" between advertising and editorial material, such as product placement and veiled sponsorships. The present study focused on magazines pre and post the 2007 recession, following evidence that advertisers use more hard-sell tactics in a bad economy. The results support this supposition, showing that advertorials increased while overall ad pages declined. However, there is also evidence that the increase in the advertorial format preceded the 2007 recession (Stout et al., 1989; Donaton, 1982; Ju-Pak et al., 1995). Other factors that have been cited in the growth of hybrid messages include the growing fragmentation of the media, the proliferation of advertising in general, and consumers' increasing tendency to tune out or even actively avoid advertising.

The heavy use of advertorials in teen magazines may be of concern, as teens may be more vulnerable to being misled by advertising practices. According to the Seventeen Media Kit (2012), approximately 40% of the readers of *Seventeen* are young teens, 12-15. The large number of advertorials sponsored by the magazines and the use of traditional (unlabeled) ads next to advertorials may also be of particular concern for the teen magazine audience. Further research is needed to determine the extent to which young magazine readers understand these tactics, and can differentiate between paid and unpaid material.

The present sample indicated a high percentage—over 90% overall—of the advertorials were labeled as either "advertisement" or "promotion." This compares favorably to the 65% found in a more diverse sample by Ju-Pak et al. (1995), although the rate for *Glamour* is similarly high in both studies. While the adherence to ASME labeling standards in fashion and beauty magazines is encouraging, it should be noted that the inclusion standard for the advertorial was designed to be conservative in this study: ads not labeled as advertorials were judged to be such only if they were very similar to feature material. Therefore, unlabeled advertisements adjacent to advertorials were not included as unlabeled advertorials. ASME guidelines do not permit advertisements adjacent to editorial material for the brands featured in the editorial material; it may be that advertisers should be likewise encouraged to label ads adjacent to advertorials for the same brand as an added precaution against confusion, a conservative practice that some advertisers have voluntarily adopted.

One finding in the present study that has not received attention in previous studies is the high percentage of advertorials that contain the magazine name or logo. Many of the magazine-sponsored advertorials were multiple product ads with a heading including the magazine title, such as "Teen Vogue Chic Clique." It is unclear whether these ads would fall under the ASME "marketing partnerships" exemption from the logo prohibition, but the format—magazine heading and feature of multiple non-magazine brands— is a layout common to much feature material in a fashion magazine and therefore particularly subject to misinterpretation as to sponsorship. Other magazine-sponsored advertorials included events or contests (e.g., Teen Vogue Fashion University) and magazine-branded products such as books (Glamour's Big Book of Dos and Don'ts) or apps (Cosmo Sex Position of the Day). It is not surprising in this era of brand extensions that magazines are capitalizing on their brands to market products, and advertising them within the magazines is consistent with practices in other media (e.g., ESPN advertising its ESPN magazine on its networks).

CONCLUSIONS AND FUTURE RESEARCH

This paper presents an exploratory study aimed at investigating the use of advertorials in fashion and beauty magazines. The findings support a common perception that editorial-advertising hybrids, in this case advertorials, are becoming more common. On a positive note for advertising watchdogs, the vast majority of the ads with editorial elements were properly labeled. On the other hand, the study uncovered two other practices—magazine sponsorship and advertising-advertorial adjacencies—that may deserve further attention. Another area of potential interest for public policy is the rapid growth of advertorials in magazines aimed at teenage girls, an audience that may be more vulnerable to advertising tactics.

The study also raises questions for advertisers and magazines. Does the effectiveness of the advertorial format justify its growing use? Research indicates that the advertorial format may increase attention and credibility, but is the format equally effective in an increasingly advertorial-cluttered ad environment? Could there be other reasons that advertorials may be effective, such as information content? Additional research on the effectiveness of advertorials, as well as survey research to obtain advertiser and publisher perspectives, would be valuable in better understanding advertorial usage.

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THE IMPACT OF SMALL SERVICE PROVIDERS' CHRISTIAN IDENTITY ON CONSUMER PERCEPTIONS

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ABSTRACT

A trend often overlooked in the small business landscape is the growth of Christian service firms. These small service businesses are owned and operated primarily by evangelical Christians and many clearly identify their businesses in the marketplace as Christian entities. Relatively little is known, however, about the impact of a service provider's Christian identity on various aspects of consumer behavior. Consequently, this research explores the impact of a service provider's Christian marketplace identity on consumer perceptions, including their prepurchase service expectations and postpurchase perceptions such as satisfaction, repurchase intentions, and word of mouth intentions. Using consumer-company identification theory as a base, the research considers whether a service provider's Christian identification might inflate consumer expectations and how such identification might influence satisfaction, repurchase intentions, and word of mouth intentions after a service failure. Consumer religiosity levels, i.e., weakly vs. strongly held evangelical beliefs, and their influence on consumer perceptions are also considered. This research proposes that consumers with stronger evangelical Christian beliefs will identify more with Christian firms and therefore be more forgiving after a moderate service failure than consumers holding weaker evangelical religious beliefs. Consumers with strongly-held evangelical Christian beliefs should then have higher postpurchase perceptions after a moderate service failure than consumers with weaker religious beliefs. Research propositions addressing these and related issues are presented, followed by a discussion of both the research and the managerial implications of Christian marketplace identification for small service firms.

INTRODUCTION

A trend often overlooked in the small business landscape is the growth of Christian service firms. These small businesses are owned and operated primarily by evangelical

Christians. *U.S. News & World Reports* indicate that nearly 50 percent of small business owners in the U.S. describe themselves as evangelical (McGraw,1995; Solomon, 2004). Owners of these firms often use Christian principles to guide their business decisions (Kyle, 2006; Mitroff & Denton, 1999) and many Christian small business owners see their businesses as having a purpose beyond monetary gain. They regard their businesses as expressions of their evangelical Christian faith and as a ministry to serve (Halstead, Haynes, & Taylor, 2009; Lambert, 2009). Many of these business owners communicate the Christian identity of their business via the use of religious symbols, Christian crosses, and Bible verses on packaging, signage, and in media advertising (Halstead et al., 2009; Mitroff & Denton, 1999).

Given the religious landscape in the U.S., the existence of many small evangelical Christian businesses should come as no surprise. Fifty-six percent of Americans say religion is very important to their lives (Pew U.S. Religious Landscape Survey, 2008) and 82 percent of those who self-identify as religious identify themselves as Christian (Baylor Religion Survey, 2006). Evangelical Christian churches make up the largest percentage of church affiliation in the U.S., followed by Protestant and Catholic churches (Baylor Religion Survey, 2006; Pew U.S. Religious Landscape Survey, 2008). The largest percentage of adults affiliated with the evangelical Christian tradition is seen in the southern and southeastern U.S., with over 50 percent of the adult population reporting affiliation with an evangelical Christian church in Oklahoma, Arkansas, and Tennessee (Pew U.S. Religious Landscape Survey, 2008). Further, evangelical Christians comprise 43 percent of all business executives in the U.S. (Darden & Richardson, 2002).

Despite the prevalence of small Christian service businesses in the U.S. (and evangelical owners' identification as such), not much is known about how a small business's Christian identity in a secular marketplace might affect consumers' service expectations or subsequent evaluations. While the nature and practices of Christian businesses have been covered periodically in the mainstream business press, including in *The Wall Street Journal, Fortune, Inc., Time,* and *U.S. News & World Reports* (e.g., Baig, 1987; Hansen, 2003; Marsh, 1991; Phred, 2006; Sullivan, 2010; Takeuchi Gullen, 2005), as well as in the scholarly literature (e.g., Halstead et al., 2009; Ibrahim & Angelidis, 2005; Jurkiewicz & Giacalone, 2004; Ibrahim, Rue, McDougall, & Greene, 1991; LaBarbara, 1987; Taylor, Halstead, & Haynes, 2010), no research has examined how a firm's Christian identity might impact consumer expectations, satisfaction levels, and other postpurchase evaluations. Yet the service sector represents approximately 80 percent of the U.S. economy[1] and a huge majority of businesses in the U.S. are small businesses.[2] In addition, one half of all small business owners self-identify as Christian (McGraw, 1995). Thus, the study of small Christian service providers seems paramount simply in terms of the numbers of firms which fall into this category. Therefore, this research explores how Christian service providers' marketplace identification as such might influence consumer prepurchase perceptions (e.g., expectations) and postpurchase perceptions such as satisfaction, repurchase intentions, and word of mouth intentions after a moderate service failure. It is important to understand what influences these consumer perceptions because they are "leading indicators of financial performance" (Zeithaml, Bitner, & Gremler, 2012, p. 560). Specifically, the consumer perceptions explored here have been linked previously, either directly or indirectly, to important firm outcomes such as service quality perceptions, customer retention and loyalty, sales, and profitability (Anderson, Fornell, & Lehmann, 1994; Anderson & Mittal, 2000; Anderson & Sullivan, 1992; Reichheld & Sasser, 1990; Woodside, Frey, & Daly, 1989; Zeithaml et al., 1996). Thus, marketplace success will be at least partially determined by a thorough understanding and management of these variables.

Paradoxically, evangelical businesses have been criticized in the past for their poor business performance, with one prestigious researcher in the field noting that evangelical firms "have been among those with the worst economic performance in America" (e.g., Nash 1994, p. 20). Thus, small evangelical businesses which publicly identify themselves as Christian may need the greatest assistance in terms of improving their business performance. Small Christian service firms likely have many of the same goals as most other firms—to generate high customer satisfaction, for example, and to increase repurchase intentions (cf. Ibrahim et al., 1991). But could identification of a business as Christian lead some consumers to hold it to a higher standard, i.e., inflate their service expectations? This would have implications for consumer satisfaction as expectations are an important determinant of satisfaction (Bearden & Teel, 1983; Halstead, 1999; Halstead & Droge, 1991; Oliver, 1980; Oliver & DeSarbo, 1988). It could also mean Christian service businesses must outperform competitors merely to meet consumer expectations. In the face of a service failure, a not uncommon event in service businesses, might the Christian identification lead some consumers to judge the service failure more harshly? Alternatively, could the Christian identity lead consumers to be more forgiving of a service provider? The research questions are examined within the context of two theoretical frameworks: the expectancy disconfirmation model of consumer satisfaction and consumer-company identification theory.

The paper is organized as follows. First, a brief overview of Christian businesses is provided. Their philosophies, basic business strategies, and methods used to communicate their marketplace identity are all addressed. The next section discusses theory on consumer perceptions, including service expectations, satisfaction, repurchase intentions, and word of mouth intentions. Then, consumer-company identification theory as it relates to service providers' Christian identity is reviewed. Research propositions are presented regarding small service providers' Christian marketplace identity, including some that suggest the strength of consumers' religious beliefs will influence their identification with and their perceptions of small Christian service businesses. Managerial implications for Christian businesses are then presented, followed by a discussion of a future research agenda.

OVERVIEW OF CHRISTIAN BUSINESSES

PHILOSOPHIES AND STRATEGIES OF CHRISTIAN BUSINESSES

Contrary to expectations, evangelical Christians embraced the age of consumerism in the U.S. and contributed to its rise (Kyle, 2006). What sets evangelicals apart from mainstream society, however, is their emphasis on stewardship and social concern. Possessions are considered to be a "trust from God" and should be "used for his work" (Kyle, 2006, p. 68). Among business and social leaders, the concept of managing a company as a servant-leader, a leader who genuinely puts the needs of others firsts, leading by example, took hold in corporate America when Greenleaf's seminal text became popular (1977; see also Solomon, 2004). Subsequent research supports this idea, finding that evangelical owners of small businesses view their companies in three ways: 1) as an expression of their Christian faith, 2) as a venue to witness and testify, and 3) as a ministry to serve (Halstead et al., 2009).

Business owners' strong affirmations of evangelical Christianity would likely include accepting Jesus Christ as their personal savior; believing they will go to heaven because Jesus died for their sins; and engaging in activities to reach out to nonbelievers (Barna, 1983; Barna Group, 2007). They might also accept the Gospel of Wealth philosophy—the idea that God's favor translates into business and material success (Halstead et al., 2009; Kyle, 2006). Under this approach, there is no incompatibility between strong evangelical religious convictions and business profitability. At the same time, Christian principles mean people should be placed ahead of things and profit is good as long as it is not the exclusive goal of a company (Engelland, 2013). The truest measure of business success is considered to be how well it serves others, including employees, customers, suppliers, investors, bankers, and other stakeholders.

These and other Christian principles have been used by evangelical business owners, large and small, to guide decision making (Mitroff & Denton, 1999), although distinct approaches and levels of evangelicalism exist across companies. For example, some leaders follow a very modest approach and do not directly impose their Christian beliefs on employees or customers, whereas others play the role of preacher, and "weave their religious faith into the fabric of their businesses" (Solomon, 2004, p. 19-21), regularly engaging in numerous work-site religious activities (Ibrahim et al., 1991). It should be noted that even business owners with strong evangelical beliefs do not necessarily engage in faith-based activities within their business, even if they identify it as Christian in the marketplace (Solomon, 2004, p. 19-21). Exhibit 1 provides a summary review of the scholarly marketing studies of Christian-identified businesses. As Exhibit 1 shows, very little research has been conducted in this area.

ESTABLISHING THE IDENTITY OF CHRISTIAN BUSINESSES

Exhibit 1
Review of Scholarly Marketing Studies on Christian Identified Businesses

Author(s)	Objective	Method	Results and Conclusions
Halstead et al. (2009)	Explore marketer motivation for including Christian religious symbols/ messages in advertising.	Depth interviews with small local service providers who used Christian messages in advertising.	For service providers, Christian religious symbols/messages: 1. served as important personal expressions of their Christian beliefs; 2. enabled their businesses to serve as venues to witness and testify about Christian beliefs; 3. allowed them penetration into the subculture of other evangelical Christians, and to communicate and associate with them; and 4. allowed them to clearly identify their businesses as religious or Christian-based, thereby providing a market positioning tool. Owners found some customers were: 1. skeptical of co-mingling religion and business; and 2. concerned about "profiting from religion." Material success was attributed to acting as a good Christian in the marketplace.
Ibrahim & Angelidis (2005)	Determine any differences in long-term performance between Christian firms and secular counterparts.	Mail questionnaires to owners or top executives of U.S. manufacturers with 15-100 employees. Sample: 139 Christian & 173 secular firms. Key performance measures: 1. growth in sales; 2. return on investment (ROI); 3. perceived firm performance relative to industry.	Christian firms outperformed secular firms. Christian firms had stronger: 1. ROI; 2. sales growth; and 3. productivity (via smaller increased in the number of employees). There was no difference in owners'/top executives' subjective perceptions of firm performance relative to their industry.

Nash (1994)	Explore the impact of Christian faith from a strategic business perspective.	Depth interviews of 65 evangelical CEOs of successful firms, who were admired for their ethics.	Evangelical executives: 1. easily balanced Christian values with the pursuit of profits; 2. were committed to the "Christian concept" of providing high quality goods and services; 3. saw the empowerment and dignity of employees as vital to business success; 4. emphasized meaningful relationships among employees and between their firms and customers; and 5. saw their business as a service which provided value to others.
Ibrahim, Rue, McDougall, & Greene (1991)	Explore practices of Christian companies regarding their employees, customers, community, and suppliers.	Mail questionnaires to Christian company CEOs. Sample included 152 Christian firms.	Most Christian firms: 1. engaged in regular on-site religious activities; and 2. emphasized profitability, productivity, and competitiveness. Three-quarters of firms reported proselytizing to customers (e.g., Christian messages on invoices; displays of Christian materials) Three-quarters of firms emphasized customer satisfaction. 81 percent support Christian charities. Regarding their suppliers: 1. 50% reported proselytizing to suppliers (e.g., Christian messages on checks or communication of Christian values); 2. 61 percent stressed prompt payment; and 3. 58 percent emphasized loyalty to suppliers, honesty, and fairness in negotiations.

Small business owners communicate their Christian identity in the marketplace in numerous ways (cf. Albert & Whetten, 1985). Both the specifics of the Christian identifier(s) vary as well as the channel or method in which the identifier(s) is/are communicated. Christian identifiers may include both words and symbols. Identifier words, for example, might include Bible quotes, statements of Christian principles, or direct statements such as "We are a Christian-Run Business." Symbols might include crosses, doves, haloes, and fish symbols. By far the most common symbol used to suggest Christian identity is the Christian fish symbol, or Ichthus (Taylor et al., 2010). In addition to the specific identifier(s) used, the channel or method of communication varies considerably as well and could include any or all of the following: 1) in-store displays of Christian-themed products in prominent customer areas; 2) product packaging, 3) bills of sale and invoices, 4) websites, 5) mass media advertising, 6) exterior signage, and 7) company business cards and letterhead (Halstead et al. 2009; Mitroff & Denton, 1999).

THEORETICAL DEVELOPMENT

PREPURCHASE CONSUMER PERCEPTIONS—SERVICE EXPECTATIONS

Service expectations represent consumers' prepurchase beliefs about the service they will receive. These beliefs then serve as comparison standards or reference points against which consumers ultimately judge overall service performance or specific service attributes (Oliver, 1980; Oliver, 2009; Parasuraman, Berry, & Zeithaml, 1991; Zeithaml, Berry, & Parasuraman, 1993). The antecedents of service expectations include explicit and implicit services promises, word of mouth heard from others, and the consumers' own past experience with the service or similar services (Berry, 2000; Zeithaml et al., 2012). Explicit service promises are marketers' direct or express statements about a service, its attributes, or quality level. Explicit service promises are often made in advertising claims, interior signage, or in salespersons' pitches to customers. Implicit service promises are suggested or implied by the service provider, but not directly communicated.

Implicit Christian Service Promises & Service Expectations

Implicit services promises are pieces are information that often lead customers to make inferences about the nature and quality of a service. Implicit service promises include price, service facility design and décor, employee dress, or other tangibles in the service environment. Services, as compared to products, are experienced rather than consumed. They also have fewer search attributes than products (Darbi & Karni, 1973; Nelson, 1970), so they are typically more difficult to evaluate prior to purchase and to judge in terms of quality as compared to physical goods (Zeithaml et al., 2012). The use of implicit promises to suggest quality, therefore, appears to take on increased importance for service firms.

In this research, a service provider's marketplace Christian identity, communicated via a Bible verse, cross, or other symbol, is conceptualized as an implicit service quality promise. Representing a business as Christian implies an ethical covenant of good faith, fair dealing, and mutual trust (Engellund, 2013; Ferrell, 2004). Implicit service promises have been shown in past research to increase consumers' service expectations (Zeithaml et al., 1993). In addition, recent research found that the presence of Christian symbols in advertising can lead to stronger quality, credibility, and trustworthiness perceptions (Taylor et al., 2010). Finally, the services literature suggests that higher perceived quality results in higher service expectations (Kelley & Davis, 1994). Consequently, a service provider's Christian identity in the marketplace should have a similar effect on customer expectations, suggesting that:

P1 Consumer service expectations of Christian-identified service providers will be higher than their service expectations of secular service providers.

Explicit Christian Service Promises & Service Expectations

When Christian-identified service providers make explicit service promises based on their Christian faith, consumer expectations should increase as well. Explicit service promises would include any direct claims made by Christian-identified firms that guarantee fairness, quality, honesty, trustworthiness, reliability or excellent service *because* the firm is Christian (e.g., "We trust in the Lord, and you can trust in us."). Consumer service expectations of Christian-identified providers who make explicit promises should be higher than their expectations of Christian-identified providers who make only implied promises through their Christian identification in the marketplace.

Christian identification, an indirect or implicit cue, is different than making a specific promise to a customer. In this respect, implicit promises are "weaker" than explicit promises in that they are likely to be more difficult to interpret. In addition, previous research suggests that customers are more likely to rely on explicit firm promises instead of implicit cues to make inferences about a company (Wirtz, Kum, & Lee, 2000). Thus, when only a Christian identifier such as a quote, cross, or other symbol is used, consumer service expectations will be higher than those for secular providers, but lower than those of service providers who both identify themselves as Christian and make explicit promises based on such in their service environments or in marketing communications.

Explicit promises can be conceptualized as a form of service guarantee (Callan & Moore, 1998; Evans, Clark, & Knutson, 1996; Kashyap, 2001). Guarantees can foster and strengthen customer-company relationships (Bitner, 1995; Gwinner, Gremler, & Bitner, 1998), improve customers' prepurchase evaluations by communicating that service failures are aberrations (Kashyap, 2001; Liden & Skalen, 2003; Ostrom & Iacobucci, 1998) and favorably influence consumer attitudes, beliefs, and purchase intentions (Wirtz, 1998). Thus, P2 is proposed:

P2 Consumer service expectations of Christian-identified service providers who make explicit promises based on their faith will be higher than consumer expectations of Christian-identified service providers who do not make explicit service promises, i.e., make only implicit promises via marketplace identification.

Service Expectations and Religious Beliefs

Recent research suggests that the strength of consumers' religious beliefs influences their perceptions of Christian firms (Taylor et al., 2010). Specifically, the research found that consumers with stronger evangelical religious beliefs had more favorable quality perceptions of Christian-identified service firms as compared to consumers with weaker evangelical religious beliefs. These higher quality evaluations should then lead to higher service expectations (e.g., Kelley & Davis, 1994). (Consumers with stronger evangelical beliefs reported believing in heaven because Jesus died for their sins; accepting Jesus as their personal savior; the inerrancy of the Bible; and reaching out to nonbelievers (Barna, 1983; Barna Group, 2007; LaBarbera, 1987). Those with weaker beliefs reported believing in God and Jesus, but rarely participated in religious worship.) Therefore, P3 is suggested:

P3 Consumer service expectations of Christian-identified service providers will increase as consumer religiosity increases. Consumers holding stronger evangelical Christian beliefs will have higher service expectations than those with weaker evangelical Christian beliefs.

POSTPURCHASE CONSUMER PERCEPTIONS—SATISFACTION EVALUATIONS

Consumers' postpurchase perceptions are often influenced by their prepurchase perceptions and this is true in the case of service expectation levels and consumer satisfaction with a service. In the expectancy-disconfirmation paradigm of consumer satisfaction, satisfaction judgments are formed after a comparison of prepurchase expectations with actual product/service performance. Satisfaction is deemed to occur when expectations are either met (positive confirmation) or exceeded (positive disconfirmation) by the actual service delivery. Dissatisfaction occurs when service expectations are not met (negative disconfirmation). This framework has served as the foundation for considerable consumer satisfaction research (e.g., Bearden & Teel, 1983; Churchill & Surprenant, 1982; Halstead, 1999; Oliver, 1980; Oliver, 2009; Oliver & DeSarbo, 1988; Tse & Wilton, 1988).

Consumer satisfaction has been described as the "cornerstone" for customer-oriented business (Szymanski & Hernard, 2001). Satisfaction has been found to lead to positive word of mouth (Szymanski & Hernard, 2001), greater customer willingness to pay price premiums (Homburg, Koschate, & Hoyer, 2005), and higher customer loyalty (Bearden & Teel, 1983; Oliver, 1980; Oliver, 2009). As noted earlier, it also acts as a key driver of market share, profitability, market value (Anderson et al., 1994; Anderson, Fornell, & Mazvancheryl, 2004;

Fornell et al., 1996; 2006) and marketing communications efficiency (Luo & Homburg, 2007). Customer dissatisfaction on the other hand, creates outcomes such as complaining behavior, negative word of mouth and decreased likelihood of repurchase (Singh, 1988; Szymanski & Henard, 2001).

Satisfaction and Service Failures

In this research, satisfaction is considered within the context of a moderate service failure. All service providers, no matter how competent, will occasionally experience service failures—service performance that does not meet consumer expectations and leads to dissatisfaction (Zeithaml et al., 2012). Service recovery efforts are then needed to diagnose the service failure, ensure it doesn't occur again, and most importantly, to turn a dissatisfied customer into a satisfied one with a variety of service recovery options. The importance of satisfaction after a service failure is demonstrated most clearly in the TARP service industry data (2007) in which substantially higher loyalty (in terms of repurchase intention) was found among those consumers who experienced a service failure but were ultimately satisfied with a firm's recovery efforts than those whose problems were not or were only partially resolved. This research examines consumer satisfaction after a moderate service failure and considers whether "forgiveness" occurs if consumers identify with a Christian-identified service provider. The theoretical base used for the remaining hypotheses, therefore, is consumer-company identification theory.

Satisfaction and Consumer-Company Identification Theory

Consumer-company identification has been defined as "the degree to which customers identify with a company to fulfill self-definitional needs" (Homburg et al., 2009, p. 39). It has also been described as a consumer's "active, selective, and volitional act (i.e., favorable responses towards the company) motivated by the satisfaction of one or more self-definitional (i.e., "Who Am I?") needs" (Bhattacharya & Sen, 2003, p. 77). In addition to mitigating the effect of a service failure on customer satisfaction, customer-company identification is also thought to lead to positive word of mouth and result in resilience to negative information (Bhattacharya & Sen, 2003). It has also been shown to enhance customer loyalty, increase willingness to pay, and result in stronger firm financial performance (Homburg et al., 2009).

Consumer-company theory is grounded in self categorization theory (Turner et al., 1987) and social identity theory (Tajfel, 1982; Tajfel & Turner, 1979; Tajfel & Turner, 1986). Self categorization theory assumes that people simplify social perception by categorizing themselves and others into various groups. The categorization process is largely shaped by the schemas people hold. For instance, group categorization might be based on religion, occupation, or hobbies, with the relevant schema impacting the process. Similarly, social identity theory relates to social categorization but also assumes that the groups in which people perceive membership contribute to their self-definition and self-esteem and that perceived group membership helps people define their social identity. Social identity theory views people as striving for positive self-esteem, which leads to thoughts and actions that have a positive impact on the groups in which people perceive membership. Support for this idea is borne out by robust ingroup favoritism findings showing that any given "us" group is more liked than any given "them" group (Brewer, 1979; Brewer & Kramer, 1985; Tajfel, 1978;1982). The ingroup favoritism effect stems from peoples' desires to be members of groups that contribute favorably to their self-esteem (Fiske & Taylor,1991).

In sum, the consumer-company identification research suggests that consumers patronizing a business with which they more strongly identify helps them further define, live, and express the values that are central to their self-concept. It also suggests that more strongly identifying customers are motivated to provide more favorable responses toward the firm. Formal membership or association with a firm is not necessary for consumer-company identification to occur (Pratt, 1988; Reed, 2002). Stronger consumer-company identification is likely when firm identity is attractive and salient to the consumer and when the consumer perceives the identity to be trustworthy (Bhattacharya & Sen, 2003). A firm's identity becomes more attractive as consumers perceive greater similarity between the company's core values and their own salient values on which they are schematic. Consequently, stronger customer identification with a Christian service provider is more likely to occur among those who are self-schematic Christian evangelicals, as these individuals hold strong evangelical religious beliefs as opposed to those with weak to moderate evangelical religious beliefs. Thus,

P4 *Consumer identification with Christian service providers will increase as consumer religiosity increases. Consumers with stronger evangelical religious beliefs will identify more strongly with Christian service providers than those consumers with weaker evangelical religious beliefs. There will be no difference in consumer-company identification strength with secular service providers.*

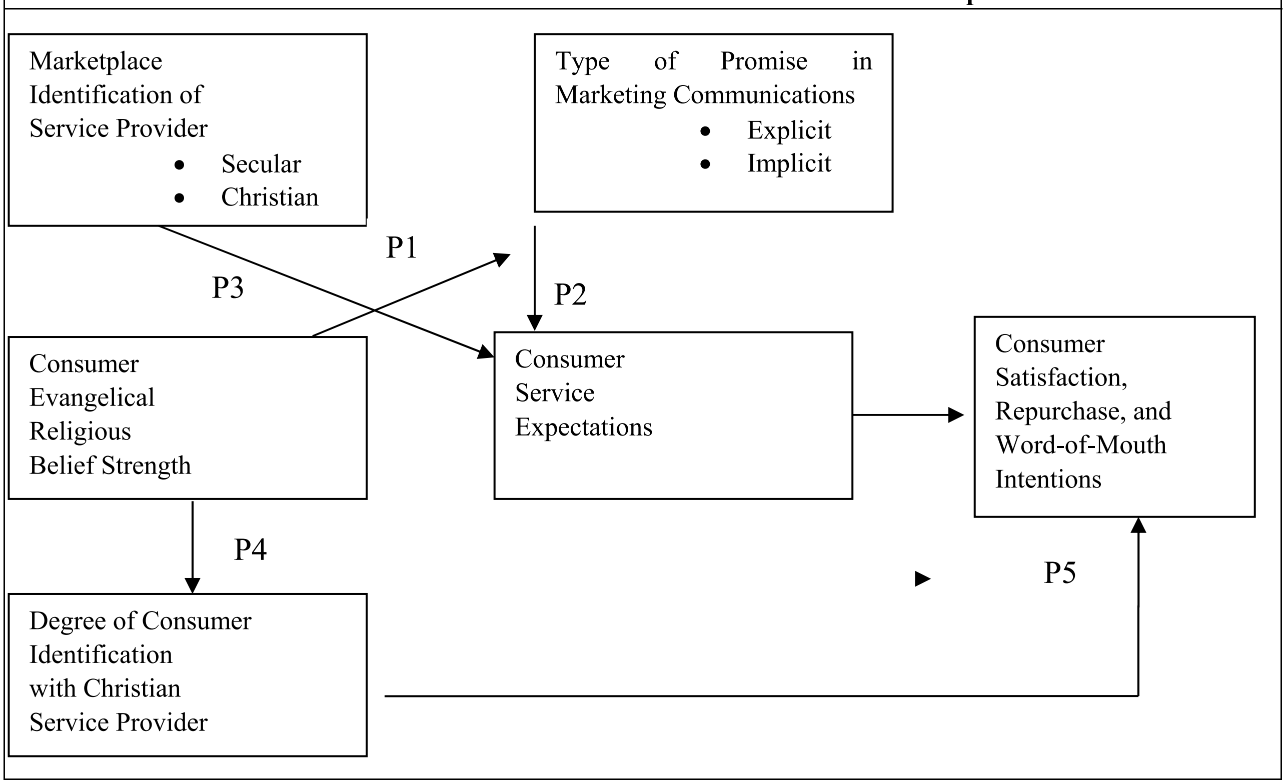
In the face of a moderate service problem, research suggests that consumers who more strongly identify with a company may be more willing to forgive that company (Bhattacharya & Sen, 2003; Homburg et al., 2009). Identification with a company will not, however, negate the effects of a sufficiently major service failure, especially if it relates to the core of the consumer's identification (Bergami & Bagozzi, 2000). Because stronger customer identification with a Christian-identified provider is more likely to occur among those who hold stronger evangelical religious beliefs, customer "forgiveness" of a Christian service provider post-failure will also depend on the level of evangelical religiosity. Christian customers with strong religious beliefs should have more favorable postpurchase perceptions, including satisfaction after a moderate failure, repurchase intentions, and word of mouth intentions. Any potential negative effects of Christian service providers' service failures should be somewhat mitigated, at least among customers with strong religious beliefs.

However, consumers with weaker Christian beliefs are less likely to judge satisfaction in a forgiving manner after a service failure. Without the benefit of Christian identification with the company to mitigate the effects of the failure, these consumers are not only less likely to forgive but may be more likely to punish Christian-identified service providers. Those holding weaker Christian beliefs may perceive Christian symbols/messages in the marketplace as an implied promise of service quality, and then perceive the service failure as a renege of that promise. Therefore, P5 is suggested:

P5: *Consumer postpurchase perceptions of Christian-identified firms after a moderate service failure (i.e., satisfaction, repurchase intentions, and word of mouth intentions) will improve as their religiosity level increases. Those with stronger (weaker) evangelical beliefs will have higher (lower) levels of satisfaction, repurchase intentions, and word of mouth intentions. There will be no differences in consumer postpurchase perceptions of secular service providers between those with stronger versus weaker evangelical beliefs.*

A summary of the relationships proposed in this research is shown in the conceptual model presented in Exhibit 2.

Exhibit 2
A Conceptual Model of the Effects of
Service Providers' Christian Identification on Consumer Perceptions



DISCUSSION

This research considers small Christian service businesses that are identified as such in the secular marketplace, and how this identity might affect consumers' prepurchase service expectations and postpurchase evaluations. The expectancy disconfirmation model of consumer satisfaction and consumer-company identification theory are used as the theoretical point of departures and several propositions are developed. Specifically, this research proposes that consumer prepurchase service expectations will be higher for Christian-identified service providers as compared to their expectations of secular service businesses. For Christian-identified service providers, the research also considers explicit Christian promises (direct promises made on the basis of the provider's Christian faith (e.g., "You can trust in us because we trust in the Lord") versus implicit Christian promises (e.g., presentation of a religious symbol). It is proposed that explicit Christian promises will lead to higher service expectations among consumers than implicit Christian promises. The strength of consumers' evangelical Christian beliefs will also be a factor, exerting a positive influence on expectations. That is, consumer service expectations of small, Christian-identified service firms will be highest among consumers with the strongest evangelical Christian beliefs, as compared to consumers with weaker evangelical Christian beliefs.

In addition to raising expectations, the research also proposes that small service providers which communicate their Christian religious faith in the marketplace will create identity bonds with Christian consumers. These propositions are grounded in consumer-company identity theory, which posits that consumers will identify with and respond most favorably to companies that fulfill their self-definitional needs (Bhattacharya & Sen, 2003; Holmburg, Wieseke, & Hoyer, 2009). As such, consumers with stronger evangelical religious beliefs are proposed to identify more strongly with Christian-identified service firms. In the face of a moderate service failure, this firm identification is proposed to somewhat mitigate the negative effect of the failure. Thus, a "forgiveness" proposition is suggested in which consumers with the strongest evangelical beliefs will therefore exhibit more favorable postpurchase responses (i.e., satisfaction, repurchase intentions, and word of mouth intentions) after a moderate service failure. Consumers with weaker evangelical religiosity levels, on the other hand, will be more likely to "punish" small Christian service providers after a service failure, leading to lower satisfaction levels, repurchase intentions, and word of mouth intentions. Managerial implications for small Christian service providers are presented next, followed by suggestions for future research.

MANAGERIAL IMPLICATIONS

Managing Service Expectations

This research proposes that a small business identifying as Christian in the marketplace will lead customers to have higher expectations for that firm's service. An increase in service expectations relative to competitors has implications for subsequent satisfaction judgments. In order to be competitive, these Christian businesses must ensure that their actual service performance meets their customers' high expectations. Further, with higher expectations, achieving high levels of both customer satisfaction and repurchase may become increasingly elusive for small Christian businesses as they are held to higher and higher standards in the marketplace. As their service improves in order to meet higher customer expectations, customer expectations often increase again after adjusting to the new, higher level of service. The dilemma of constantly rising expectations was discussed over 35 years ago in academia (e.g., Miller, 1977), and continues to be a concern today (Rust & Oliver, 2000; Zeithaml et al., 2012). Monitoring customers' service expectations and needs should help small religious service providers navigate the dilemma of rising expectation levels. This could mean providers will find it necessary at times to give a "reality check" to some customers if their expectations become unrealistic.

Managing Customer Satisfaction

This research proposes that after a moderate service failure, consumers' postpurchase perceptions of Christian-identified firms will improve as their religiosity level increases. Those customers who have stronger (weaker) evangelical beliefs will have higher (lower) levels of satisfaction, repurchase intentions, and word of mouth intentions. These proposed relationships have implications for Christian businesses for managing customer satisfaction. First, it must be remembered that consumers' post-failure satisfaction and behavioral intention levels will be affected by additional variables besides marketplace identification, including a business' specific service recovery efforts and success (Homburg et al., 2009; Smith & Bolton, 1998) and even consumers' prepurchase satisfaction levels (Bearden & Teel, 1983; Oliver, 1980; Smith & Bolton, 1998). When dealing with their most religious customers, these small Christian service businesses cannot rely solely on their religious identification to achieve positive customer evaluations and eventually, greater repatronage. They must still employ consistent and effective service recovery methods that ensure high levels of post-failure satisfaction. Furthermore, when dealing with their least religious customers, these small Christian service firms will need to provide extremely strong service recovery efforts to ensure customer satisfaction and repurchase. Because these less evangelical customers do not identify with the small Christian business, they may be less likely to forgive a service failure. Consequently, special attention may be required to salvage these relationships. Small Christian service firms will need to incorporate into their recovery systems some of the most common remedies that customers desire after a service failure.[3] Most of these remedies do not involve monetary compensation, meaning that effective service recovery for small businesses with very limited budgets need not be limited by cost considerations.

Marketing to Christian Consumers

Identifying those consumers who seek out Christian-based businesses because they have strong religious beliefs would certainly help small Christian service providers' marketing efforts. Consumers who identify with Christian firms will respond more favorably to these firms (Ahearne, Bhattacharya, & Gruen, 2005; Bhattacharya & Sen, 2003) and be more likely to forgive them in the event of a service failure; therefore they represent an attractive target market for Christian businesses. At the same time, Christian-based service firms must be distinctive in other ways—beyond their Christian identification (Ahearne et al., 2005). Thus, differentiation is likely to be a viable marketing strategy, as is true for many non-faith based organizations. This is analogous to the current research which proposed that an explicit service promise, like a type of service guarantee, leads to a different consumer response than when only Christian identification (an implicit promise) is made. Christian identification alone will not ensure marketplace success and additional tools will be needed in the marketing arsenal of a small service firm.

To target the most religious consumers, grass roots promotional campaigns directed at church groups, Bible study classes, Christian-based charities and organizations and related groups could be initiated. In addition, and perhaps more importantly, Christian service providers should target Christian parachurches[4] as well as denominational churches as they are often much larger in size, more accessible, and solve the problem of the very loose denominational structures in evangelicalism (Solomon, 2004). Similarly, promotions such as in-store displays or coupon campaigns directed specifically to Christian customers would be effective. Christian loyalty programs could be directed at the larger churches in a service provider's trading area whereby special deals and/or discounts are offered to church members. This would be very similar to other loyalty programs which offer rewards based on membership but applied to evangelical church members.

It should be noted that marketing tactics and evangelicalism not only coexist peacefully, but they have each supported the other for many decades. Researchers have documented evangelicalism's close affinity with both American popular culture and business practices (e.g., Kyle 2006; Smith 2000; Solomon 2004), including the usage of mass media and marketing messages in its attempts to reach individuals, as in the case of revivalism (Kyle, 2006; Smith, 2000). As noted earlier, evangelical Christians embraced the rise of consumerism in the U.S., including the use of marketing and advertising to fuel demand for mass-produced products and services sold at a profit (Kyle, 2006, p. 67). Evangelical business executives and CEOs commonly report the successful blending of their religious faith with the drive for profits (e.g., Nash, 1994; Solomon, 2004). Owners of small Christian service businesses should be no different in terms of their acceptance of modern marketing practices.

Managing Customer Relationships

Consumer-company identity theory suggests that marketing efforts should be made to influence consumer perceptions, with a goal of increasing the salience of the service firm as a Christian-based group (e.g., Homburg et al., 2009). The most successful effects of Christian marketplace identification are likely to be for small service firms that build long-term, meaningful ties with their customers versus simply transaction-based or short-term relationships (Bhattacharya & Sen, 2003; Homburg et al., 2005). This is similar to the findings in the satisfaction literature and in the buyer-seller relationship research (e.g, Morgan & Hunt, 1994) in which mutual trust, commitment and value lead to satisfying exchanges that benefit both customer and organization in the long-term. Thus, small service firms such as hair and nail salons, insurance agencies, restaurants, automobile repair services, mortgage brokerages, house cleaning services, lawn and landscaping firms, accounting and tax preparation companies, will be most successful when they build strong customer relationships, especially with repeat customers. In these instances, customer retention should be a key marketing objective. Creating customer "partners" can be a distinct competitive advantage (Johnson & Selnes, 2004).

Increased customer participation has been linked in several research studies to higher satisfaction, greater enjoyment of a service, and perceptions of high service quality (Kelley, Skinner, & Donnelly, 1992; Bateson, 1983; Claycomb, Lengnick-Hall, & Inks, 2001, respectively). For small Christian service firms, this suggests using marketing tactics to increase customer participation and coproduction in service delivery, consistent with the "service-dominant logic," of marketing (Vargo & Lusch, 2004; 2008). It also suggests that Christian service providers interact as much as possible with their customers. Previous research has shown that opportunities to interact with other Christians is one motive Christian service providers give for identifying themselves as such in the marketplace (Halstead et al., 2009). Engaging their Christian customers and encouraging communication and participation with other Christian customers during service delivery can improve service providers' customers' quality perceptions and service outcomes. This, in turn, can increase customer retention and profits for Christian service providers. Previous research also suggests that higher per customer profit for service firms corresponds with the length of a customer relationship (Reichheld, 1996; Reichheld & Sasser, 1990). Higher overall ROI can also be achieved when service firms are relationship-oriented (Kumar, 1999). For a small Christian service provider, trying to build long-term customer relationships might mean developing Christian loyalty programs, as noted earlier, or customizing services for Christian customers. Frequent customer-company interactions will help foster long-term relationships as well (Ahearne et al., 2005).

DIRECTIONS FOR FUTURE RESEARCH

Many research opportunities exist in the study of small Christian service providers, particularly with respect to consumer perceptions. A future research agenda could include further investigation in the following areas: 1) the application of consumer-company identification theory; 2) service guarantees and perceived risk; 3) service expectations and service quality; and 4) consumer backlash to Christian-identified service providers.

Consumer-Company Identification

Many unanswered questions remain regarding the application of consumer-company identity theory to the Christian marketplace. For example, can stronger identity with a Christian company lead some consumers to become activists, i.e., consumers who advocate strongly for the company to other consumers, communicate significant positive word of mouth, and defend the company when necessary? Could strong identification with Christian companies lead some consumers to eventually avoid secular businesses, even when those businesses may offer better alternatives? Given the high importance placed on religion in the U.S., Christianity in particular, this might be a possible outcome to investigate in the future.

Service Guarantees and Perceived Risk

Some service guarantees have been found to reduce customers' perceived performance risk and financial risk (e.g., Ostrom & Iacobucci, 1998; Hart, Schlesinger, & Maher, 1992). It would be interesting to determine whether the same risk reduction effect occurs with Christian-identified service providers who, as proposed here, make an implicit promise of quality. This could be particularly relevant for Christian service providers as Wirtz et al. (2000) found that the impacts of service guarantees on consumer perceptions were significantly moderated by firm reputation.

In addition, services, even with guarantees, are generally perceived by consumers to be higher in risk as compared to products. This is primarily because consumers find it difficult to judge service quality before purchase and consumption (Zeithaml et al., 2012, p. 54). Consumers also don't have the necessary education or skills to adequately judge the quality of some services, even after purchase (e.g., legal services, medical services). In addition, higher religiosity levels have been associated with increased risk aversion by consumers with respect to their personal and financial decisions (Hess, 2012). This presents an interesting dilemma in that the most religious consumers will be most risk averse yet will perceive higher levels of risk with services. Can the implicit promise of quality made by a Christian firm reduce a consumer's level of perceived risk? Can a service provider's use of Christian identification in the marketplace combat both the higher perceived risk of services and the higher risk aversion among religious consumers?

Service Expectations and Service Quality

Service expectations were presented in this research as global or overall assessments of customer beliefs about the quality of a service (e.g., Oliver, 1980). Some of the previous consumer satisfaction research has conceptualized expectations in different ways, however (see Halstead, 1999; Spreng, MacKenzie, & Olshavsky, 1996; and Woodruff, Cadotte, & Jenkins, 1987 for reviews and typologies of expectations). For example, expectations have previously been defined as consumer predictions of service performance, whereas other definitions looked at expectations as consumer wishes or desired service, i.e., ideal expectations (Teas, 1993). Expectations have also been defined both normatively (how service customers think the service should be delivered) and competitively (what customers expect in relation to their previous service experiences, i.e., experience-based norms). An interesting next step would be to examine the impact of a company's Christian identification on the various types of expectations consumers hold. Would differential effects occur for normative vs. predictive expectations, for example? Would a business identifying itself as Christian in the marketplace impact consumers' experience-based norms (Woodruff et al., 1987) if those consumers had never bought (knowingly) from a Christian business before? Does Christian identification of a business activate a particular expectation type or level for consumers? Does it lead them to think, "A Christian firm *should* do….in a service?" Given that expectations are central to both consumer satisfaction formation and service quality perceptions, further investigation is warranted.

Another research opportunity exists with respect to the measurement of the service quality of Christian service providers. Zeithaml, Berry, & Parasuraman (1996) found that consumers use five primary dimensions to evaluate service quality: 1) reliability, 2) assurance, 3) tangibles, 4) empathy, and 5) responsiveness. How Christian identification is evaluated in the marketplace with respect to these dimensions would be a fruitful area for future research. It may be that consumers' assessments of assurance (having trust and confidence in a service provider) and empathy (having needs met; being treated as an individual) are the most important dimensions to consumers when they evaluate Christian service providers. Alternatively, perhaps reliability (delivering the service exactly as promised) is considered the most important service element, based on the implicit promise made by Christian identification. The answer to this question also has managerial implications for small service providers with respect to the allocation of resources to ensure service quality. For example, should resources be devoted to employee training in empathy and interpersonal skills or should resources be deployed in a service operations area that will improve reliability performance? Thus, the manner in which consumers evaluate service quality may be as important as the valence of their service quality judgments.

Consumer Backlash to Christian Identification

This research considers Christian identification of a service business to have mostly a positive influence on consumers, most particularly with consumers who have stronger evangelical religious beliefs. It also proposes, however, that consumers with weaker evangelical religious beliefs will not identify as strongly with Christian firms and therefore may be more likely to punish them after a service failure (i.e., report lower satisfaction, repurchase intentions, and word of mouth intentions). If Christian identification is perceived by customers as an implicit promise of quality (as proposed here), a service failure is an example of a company not living up to its promise, especially as viewed by consumers with weak religious beliefs. This would be considered a lack of service reliability (Zeithaml et al., 1996) which would inevitably lead to lower customer satisfaction and loyalty (Zeithaml, Bitner, & Grewal, 2012). This could be interpreted as a backlash effect of religious identification. The potential for a backlash effect from religious identification is supported by a recent study in which the use of Christian symbols in advertising was explored. The use of a Christian symbol in print advertising led to lower purchase intentions among younger adults in a laboratory experiment, as compared to advertisements without Christian symbols (Taylor et al., 2010). Thus, some evidence exists for a backlash effect, although further research is clearly needed. Of particular interest would be investigating the type of consumers, services, and circumstances in which backlash effects are most likely to occur.

CONCLUSION

The research presented here explores the impact of a service provider's Christian marketplace identity on consumer perceptions, including their prepurchase service expectations and postpurchase perceptions such as satisfaction, repurchase intentions, and word of mouth intentions. It proposes that a service provider's Christian identification in the marketplace will result in higher consumer expectations and that such identification likely impacts satisfaction, repurchase intentions and word of mouth intentions after a service failure. The nature of promises made to consumers by small Christian service providers is also examined, with focus on how implicit versus explicit promises impact service expectations. This research also posits that consumers with stronger evangelical Christian beliefs will identify more with Christian firms and therefore be more forgiving after a service failure than consumers holding weaker evangelical religious beliefs. Thus, consumers with strongly-held evangelical Christian beliefs should have higher postpurchase perceptions after a moderate service failure, compared to consumers with weaker evangelical religious beliefs. Managerial implications are presented to provide insight to small Christian service firms about managing customer relationships, customer expectations, customer satisfaction and service recovery efforts. In addition, numerous opportunities for further research on the Christian marketplace identification of service firms were identified. Given the continued growth in the service sector and in the number of small business start-ups, this research will fill a notable gap in the literature.

ENDNOTES

1 According to the Office of the U.S. Trade Representative, as of 2011, service industries were 68 percent of GDP and 80 percent of jobs (www.ustr.gov). The Institute of Supply Management reported to the New York Times in 2012 that the service sector accounts for 90 percent of U.S. jobs (www.nytimes.com).

2 As of 2010, 99 percent of all U.S. businesses (more than 5.7 million firms) were classified as small by the SBA (fewer than 500 employees). Even if a much more conservative definition of small business is used (fewer than 20 employees), 90 percent of U.S. business establishments (more than 5.1 million firms) would still be classified as small businesses (www.sba.gov).

3 An apology, an explanation, an assurance the problem won't occur again, a thank you for the customer's business, compensation or reparation, a choice of recovery method, and being treated fairly, courteously, respectfully, and with care and honesty (Tax & Brown, 2000; Tax, Brown, & Chandrashekharan, 1998) are the most common remedies customers seek.

4 Parachurches are special purpose groups or associations (e.g., Salvation Army or Young Men's Christian Association) that work outside the traditional denominational structure for a specific ministry or purpose (Kyle, 2006; Wuthnow, 1988).

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RESEARCHER COGNITION AND THE EFFECT OF THE EXTERNAL ENVIRONMENT ON BUSINESS SCHOLARS

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ABSTRACT

There is an ample and ever-growing literature on managerial cognition; however, very little attention has been focused on researcher cognition. This paper posits that external events over time have an effect on business researchers and, in turn, on the types of papers which are published. I empirically tested this hypothesis with a sample of 93 journal articles from the Academy of Management Journal over a 40 year period and found significant findings to support this hypothesis. As the external environment (i.e. macro-economic) becomes more uncertain, academics in Strategy have a propensity to publish more papers based on external theories or concepts than during times of prosperity or decreased uncertainty where the trend is reversed.

BACKGROUND

Ideas such as the "observer effect" (Landsberger 1958) and the Heisenberg Uncertainty Principle (Heisenberg 1927) offer an insight into the relationship between a unit of measurement (i.e. a particle, a worker, etc.) and an observer, namely a researcher. In the field of Quantum Mechanics, Heisenberg posited that both the position and momentum of a particle could not be accurately measured simultaneously. This was due to, in part, the nature of the phenomenon being researched in the first place. Likewise, the Hawthorne Studies (Landsberger 1958) of the 1920s portrayed a similar phenomenon. In this famous series of studies, it was shown that subjects who were being actively observed changed their behavior and that these behavioral changes were due to the observation itself. In this paper, I will argue along the same lines. The premise here is that there exists an effect which has been neglected in the literature on cognition and business research whereby both business academics and the environment that surrounds them have an effect upon each other.

Relating this concept back to the physics example, as a scientist attempts to measure something, such as a particle, she alters the measurement by the mere fact that she is performing a measurement. In turn, the scientist is affected by the results of the altered measurement. As referred to in the previous passage, the Hawthorne Studies also showed a similar effect. As worker's lighting conditions were made worse, they still managed to increase their output. It finally dawned on the researchers that the subjects were increasing output as a function of observation and not as a function of the lighting of the work room. In essence, the workers were attempting to impress the researchers because they were aware of their presence.

These two examples show how research is part of, and not necessarily separate from, the external world for which it is studying. I posit that a similar effect helps to shape business scholarship. Simply put, a business researcher influences the industries, firms and individuals which she studies by publishing research that practitioners both read and follow. However, and more central to the theme of this analysis, there exists a profound effect that the environment has upon the researcher. By this, I mean that business researchers, being human beings with lives outside of academia, are affected by events in the real world which, in turn, affects the type of research that they perform.

Many types of events effect researchers on a daily basis, many of which cannot be observed directly because they are private in nature. Examples of private events may be divorce, infidelity, addictions and the like. The mental state of the researcher matters in her conceptualization of the world and how to observe it. Other events, which are more publicly discernable, are both important and able to be measured. Just as an academic may be affected by the aforementioned personal events, they also may be affected by the state of affairs of the external environment around them. Macroeconomic and political events affect a broad swath of the population from the poor to the wealthy and from the uneducated to the most educated.

Most humans want to believe that they are objective observers and, for the majority of the time, that may be true. However, humans are fallible and are subject to bounded rationality (Simon 1958). Since academics are trained to be objective, this notion is even more valued due to the type of work that defines their professional life. Therefore, the central argument here is that general macro-economic trends in American society help to shape the paradigms of major scholarship in the field of Management. Before I present the hypothesis to be tested, this idea should be expanded. Thinking of the past 40 years, and as a result of being a liberal democratic capitalist system, the United States economy has shifted between booms and busts as well as outcomes in between these extremes. For example, the mid-1970s brought with it high interest rates, high unemployment, energy price increases and political upheaval. In a period such as this, uncertainty is high and the near-term outlook is bleak. It is during time intervals such as this that individuals become more externalized because they may feel a sense of loss of control due to events around them.

A period of time which is the opposite of the mid-1970s may be found between 1998 and 2001. During this period, the U.S. was operating at full employment, interest rates were low, and energy prices were historically cheap. During boom times such as this, personal excess is a factor. Examples of personal excess are purchases of expensive homes and cars, increased household debt, and an increase in the sale of luxury goods such as vacations and jewelry. During boom periods, according to this paper's premise, individuals internalize their success and fortune. As opposed to the first scenario, there is a sense of one's control over the outcomes in life.

Business academics are not immune to these fluctuations. Researchers, being members of society, drive cars, borrow money and spend dollars which may become devalued. Therefore, the price of energy, interest rate fluctuations and inflation rates can have an important effect on these individuals. Although these are not the only external events which can affect academics, they are three measures which can assist in evaluating the current state of affairs in society.

THEORY AND LITERATURE

RESEARCHER COGNITION

Recent literature in Strategy and Organization has looked to managerial cognition as a source of advantage or disadvantage for related firms (Levy, Beechler, Taylor and Boyacigiller 2007; Nadkami and Barr 2008; Tikkanen, Lamberg, Parvinen and Kallunki 2005). As opposed to early works in the field, new scholarship is not opposed to viewing the individual as a unit of analysis in attempting to determine the underpinnings of outcomes. However, there is no literature that analyzes business academics in the same light. It would make logical sense that if managers are affected by their own internal workings and the events that surround their lives, then the same would be true for scholars.

Cognition studies rely on an ability to understand the psyche of individuals (Kunc and Morecroft 2010; Marcell, Barr and Duhaime 2011). I will not attempt to do so in this paper; however, in an aggregated sense, researcher cognition might be proxied by the output produced over time. Therefore, the unit of analysis in this paper is the aggregated management academic community in relation to the economic world around them. On average, the output produced can help us glean into the cognitive platform from which academics start. In doing so, this paper will make a contribution to cognition studies and will help to fill a gap in explaining some variables that lead to paradigm shifts in the field of Management.

EXTERNAL AND INTERNAL CONCEPTS

What are external concepts as opposed to internal concepts? Theoretically, frameworks such as the Resource-Based View of the Firm (RBV) and the Knowledge Based View of the Firm (KBV) can be considered internal while Institutional Theory and Industrial Economics tend to be more externalized. A brief summary of the major Management theories will follow in this section. However, it is important to note that not all papers contain specific theories which are easily classified. Some works do not follow existing known theories and must be analyzed to discern their orientation. Finally, a certain percentage of works are ambiguous and cannot be evaluated along these lines.

EXTERNAL CONCEPTS AND THEORIES

Industrial Organization. The field of Strategy originated, to some degree, with IO scholars in the 1960s and 1970s who were concerned with industry structure based on microeconomic foundations (Caves and Porter 1977). These scholars were most interested in exogenous issues regarding the firm including, but not limited to, industry concentration, factor markets, interest rates, inflation and the role of other economic actors on the competitive nature of industry. There was no real concern with the internal make-up of firms and their role in the fate of their position in the industry.

It was out of the IO models that Michael Porter (Porter 1980) began to derive his influential works on competitive analysis. For this reason, in this analysis, Porter's works are included in the IO section. Porter's biggest contribution to the field of Strategy (among many) was in his frameworks for industry analysis and the study of competition. In his Five Forces framework, Porter insinuates that firms are part of a wider system in which players vie for positioning through rivalry. However, these forces are all in the context of external forces through which firms compete.

Institutional Theory. In the context of DiMaggio and Powell (1983), Institutional Theory is concerned with the external pressures place upon firms (in a business context) by the institutions, both formal and informal, in society. These pressures may come from regulatory bodies, governments, shareholders and the like. However, in each case, the pressures which mold firms' decisions and strategies are external to them.

Population Ecology/Systems Theory. Systems Theory (Von Bertallanfy 1975) and Population Ecology (Terreberry 1971; Hannan and Freeman 1982) are externally driven frameworks in that they are most concerned with the interactions of components in a wider world. Taken from the field of Biology, these theories include variations of a Darwinistic approach where firms, concepts or processes are varied in a system. From this variation, firms select and retain those that help to garner an advantage. Key concepts such as legitimacy and equifinality have had an important impact on Organization studies over the past several decades.

Organizational Fit. Theories or fit, or contingency, are generally external because the fit is that between a firm and its environment (i.e. an industry, political state, etc). Early works on fit were concerned with organic versus mechanistic firms and industries and the resulting performance efficiencies in proper matching (Burns and Stalker 1961; Lawrence and Lorsch 1976).

INTERNAL CONCEPTS AND THEORIES

Agency Theory. Agency issues in business research revolve around the compatibility and alignment between firms and their agents (managers). In this regard, Agency Theory is internal to the firm and the costs associated with aligning the behavior and compensation of managers to the interests of shareholders (Alchian and Demsetz 1972; Eisenhardt 1985, 1989; Jensen and Mekling 1976).

Resource Based View of the Firm. RBV was developed first by Penrose (1955) to explain the resources needed for firms to expand. One of the most intuitive notions that she posited, and which has been prevalent in the literature since, is that of management as a resource. Further developed by Wernerfelt (1984) and Barney (1991), RBV is an internal view of what makes firms succeed. In Barney's view, firms which possess or acquire resources which are rare, valuable, inimitable and non-substitutable may garner competitive advantage. The theory has been criticized for being tautological (Priem and Butler 2001). Additionally, and sometimes considered an extension of RBV, is the Knowledge Based View of the Firm (Grant 1996).

Resource Dependency Theory. Resource Dependency Theory (Pfeffer and Salancik 1978; Pfeffer 1981) is ambiguous in its orientation because the resources in any given work could be internal to a firm or external to a firm. The basic premise of RDT is the maximization of power based on the possession and utilization of resources. Internally, this could mean that one division is more powerful because they have resources that another division needs or wants. Externally, firms may form coalitions in which one firm has a higher power base depending on the resources that it brings into the partnership.

Transaction Cost Economics. Beginning with Coase (1937) and continuing mainly through Williamson (1975, 1979), TCE has been one of the most cited theoretical underpinnings in business scholarship. This theory is most associated with Make or Buy Decision Rules as well as general corporate governance questions. The central question of TCE is why firms are needed in a world with markets. This theory is considered an internal theory of the firm in this analysis due to the fact that many of the questions raised in empirical and theoretical works using TCE are in the context of what should a firm do regarding internal markets (The firm) and external markets (The general market). The result of most of these studies is the analysis of firm-specific decisions.

HYPOTHESES

Taking both an institutional and cognitive approach, this paper makes the argument that pressures from the external world will catalyze business academics to initiate certain types of works. Namely, as pressures from the non-academic environment infiltrate the daily lives of these academics, they will be more prone to publish research that is external in nature. This legitimization (Brown 2012) of a shift in research is a result, at least partially, of the institutional pressures directed from the macro-environment.

With that in mind, the hypothesis presented in this paper is as follows:

> H1: Societal uncertainty, as measured by interest rates, energy prices and the unemployment rate, tends to raise the propensity for business researchers to publish research on external theories or concepts in the academic literature.
>
> > H1a: There is a positive correlation between a rise in interest rates and the propensity for scholars in Management to publish research on external theories and concepts.
> >
> > H1b: There is a positive correlation between a rise in energy prices and the propensity for scholars in Management to publish research on external theories and concepts.
> >
> > H1c: There is a positive correlation between a rise in the unemployment rate and the propensity for scholars in Management to publish research on external theories and concepts.

FURTHER EXPLANATION

Although the preceding is, by no means, exhaustive in terms of the number of theories or the explanation of them, it serves as a guideline for how the study is conducted. It is important to note that not all papers list a theory which can then be disseminated as internal or external. Therefore, for a large percentage of the paper studied in this analysis, the work was gleaned in order to label it external, internal or neither.

DATA, METHODS AND VARIABLES

DATA AND METHODS

Data for this study was collected from the Academy of Management Journal (AMJ) from the Business Source Premier database. Articles from AMJ published between 1970 and 2009 were listed in a data file in order to be randomized. There were a total of 2,606 articles published by this journal during the 40 year period. In order to take a random sample based on a 10 percent margin of error and a 95 percent confidence interval, 93 randomly selected articles were chosen through the RAND function in Microsoft Excel. The exact methodology is as follows.

First, each volume and issue were counted and listed to determine the order and number of articles. Secondly, after determining that there were 2,606 articles, this many cells were filled in with the corresponding numbers from 1 to 2,606. Thirdly, using the RAND function, numerical values were assigned to each of the articles. Fourth, the new column containing randomized numbers were sorted in ascending order. Fifth, the first 93 articles in this new column were selected.

After the articles were chosen, I manually viewed each article to discern the orientation of the paper. Each paper was coded 0 if it had an internal orientation, 1 if it had an external orientation, and 2 if it was either ambiguous or not applicable. Any paper coded as 2 was dropped from the sample leaving 78 articles in the final sample.

VARIABLES

Dependent Variable. The dependent variable is a binary response variable which was coded 1 if the paper was external in nature and 0 if the paper was internal in nature. A limited dependent variable was used in order to measure the propensity of an outcome over some baseline scenario (Tabachnik and Fidell 2007). Additionally, the year used in the dataset was operationalized by subtracting two years from the date of publication. This was important because the premise of the argument made in this paper is about researcher cognition. Since papers are developed, submitted and published over a lengthy time period, some time adjustment was necessary to account for the state of mind of the academic at the time of conception and not publication. Therefore, the years which were operationalized in the study were 1968 through 2007 (As opposed to 1970 to 2009).

Independent Variables. The explanatory variables are all measures of uncertainty and pressures in the macro environment. All data used for the independent variables were found in the United States Bureau of Labor Statistics website and the Federal Reserve's website.

- Unemployment was measured as the annual unemployment rate determined by taking the median of the monthly unemployment figures from the Bureau of Labor Statistics. This variable was entered as a whole number and a decimal (6.2 percent as opposed to 0.062).
- CPI was measured using the published Consumer Price Index (CPI) for each year in the sample. CPI is used because it is the most widely known and available data on inflationary pressures in the economy. This variable was entered as a whole number and a decimal (6.2 percent as opposed to 0.062).

- Oil was measured as the average price of crude oil for each year in the dataset. This variable was entered as the inflation adjusted price since inflation was already accounted for in the model.

MODEL

The methodology used to test the hypothesis is a probit regression which models a binary outcome. The specific model is:

$$\boldsymbol{P(Y = 1\ given\ that\ X = x) = \emptyset(\beta X)} \qquad \textbf{(1)}$$

Where the model is estimating the probability or propensity that the outcome is equal to 1 (1=External) given the vector of independent variables and the related beta coefficients. The central density function ($\emptyset$) is utilized in a probit model to bind the outcome between 0 and 1 (Stock and Watson 2007). The independent variables, as explained in the last section, are the unemployment rate, the inflation rate and the price of oil which serves as a proxy for the cost of energy.

RESULTS

The results of the probit regression can be seen in Tables 1, 2 and 3 below.

TABLE 1
Omnibus Test

Likelihood Ratio Chi-Square	df	Sig.
15.635	3	.001

TABLE 2
Tests of Model Effects

Source	Type III		
	Wald Chi-Square	df	Sig.
(Intercept)	12.685	1	.000
Unemployment	11.925	1	.001
CPI	3.637	1	.057
Oil	4.385	1	.036

TABLE 3

Parameter Estimates

Parameter	B	Std. Error	95% Wald Confidence Interval		Hypothesis Test		
			Lower	Upper	Wald Chi-Square	df	Sig.
(Intercept)	-2.535	.7118	-3.930	-1.140	12.685	1	.000
Unemployment	.466	.1350	.202	.731	11.925	1	.001
CPI	.129	.0676	-.004	.261	3.637	1	.057
Oil	-.026	.0125	-.051	-.002	4.385	1	.036
(Scale)	1[a]						

Dependent Variable: External
Model: (Intercept), Unemployment, CPI, Oil

a. Fixed at the displayed value.

The model is significant with a Chi-Square Likelihood Ratio of 15.635 (p=0.001) meaning that the model used can determine the propensities of the explanatory variables to explain the binary dependent variable. In addition, from Table 2, it is evident that all of the variables and the intercept are significant. Although CPI has a p-value of 0.057 which is slightly higher than the critical value of 0.05, it is only marginally higher and, therefore, determined to be significant enough to be relevant in the model. The intercept and the other two variables, Unemployment and Oil, were significant at a p-value of 0.001 and 0.036 respectively.

Table 3 includes the beta coefficients for the variables. Unemployment and CPI have a significant and positive coefficient value. This can be interpreted as meaning that as the unemployment rate increases and the inflation rate increases, the propensity for academics to conduct research on external topics increases. On the other hand, the variable Oil is significant but with a sign that is opposite of what was expected. As the price of crude oil increases, the propensity for external papers to be written decreases although the coefficient value is very close to zero. Therefore, Hypothesis 1 is mostly supported. Hypotheses 1a and 1c are fully supported while Hypothesis 1b is not supported.

DISCUSSION

CONTRIBUTION

This paper makes a contribution to the study of cognition in business research. As opposed to many papers which are published relative to a manager's cognitive state, I have proposed and supported an argument that there is a relationship between an academic and his or her external environment. Additionally, because business scholars, as opposed to those in other fields, may have a greater impact on the external environment that they study, this could lead to more interesting findings concerning causality in the future.

RESEARCH LIMITATIONS AND FUTURE RESEARCH

Although this paper makes a contribution as stated above, it has a few shortcomings. First, this paper drew its sample from one academic journal, the Academy of Management Journal. Therefore, even though the sample was chosen randomly, it was chosen from one of many possible populations. Secondly, the sample was small at 78 observations meaning that, over a long time period such as this, more observations may make the results differ. Finally, only three explanatory variables were utilized in attempting to explain the propensity for external research. Although these were significant and are all good measures of possible environmental uncertainty, different types of explanatory such as political, financial, and social may enhance the model and lead to deeper conclusions.

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INFORMATION SOURCES AND PLANNING HORIZONS FOR SOUTHERN UTAH VISITORS

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ABSTRACT

As part of a larger visitor profile study of southern Utah visitors during four seasons beginning summer 2010, data was collected regarding trip planning horizons, defined as the time that elapses between when trip planning begins and trip departure, and data regarding the influence of different sources of information, ranging from the Internet to past experience to guidebooks and brochures. There were significant differences in regard to planning horizons with regard to season of travel, education, age, and domicile, but not with regard to household income. With regard to source influence, past experience and the Internet were rated as the most influential, much more so than guidebooks, friends and relatives, and other sources. Results highlight the importance of hospitality businesses understanding their target groups through marketing research.

INTRODUCTION

Understanding consumer decision-making is important for any organization that needs or wants to influence outcomes. With regard to tourism-based businesses, as with other businesses, it is beneficial to know what information is desired by potential customers, when it is most relevant to the decision-making process, and where customers seek out or are otherwise exposed to such information. Spending resources to provide information to potential customers too early or too late, or in the wrong places, is wasteful and ineffective. This information is important to public policy makers, as well (Hyde, 2009; Schmidt & Spreng, 1996; Srinivasan, 1990).

In Utah a visitor profile study commissioned by the Utah Office of Tourism was undertaken by the Southern Utah University Hospitality Research Center. Visitors were surveyed over a two-week period during each of four seasons, beginning July 2010 and ending May 2011. The purpose of this paper is to report findings regarding tourists to southern and central Utah concerning their planning horizons and the importance of various sources of information. The specific research questions addressed here are as follows:

> *When do visitors to southern and central Utah begin to plan vacations, and is the planning horizon a function of demographic variables?*

What sources of information are perceived as most influential, and does this vary as a function of demographic variables?

For the purposes of this study the planning horizon is the time that elapses between trip planning and trip departure.

LITERATURE REVIEW

There is a growing body of literature on tourist decision-making and information search. Travel-planning theories have been developed to replace or augment established decision-making frameworks. While decision-making theories focus on choosing among alternatives, travel-planning theories focus on the process by which tourists handle multiple interrelated decisions and goals over time (Jun, Vogt & MacKay, 2007).

Decisions and information search have been categorized as occurring pretrip, during trip, and posttrip (Choi, Lehto, Morrison & Jang, 2012; Hyde, 2009; Jun, Vogt & MacKay, 2007). In a slightly different classification scheme, Becken and Wilson (2007) distinguished among three types of decisions with regard to New Zealand tourists: *core decisions*, which are made in advance of travel and concern destination and length of stay decisions, *loose plans*, which are general plans regarding what to do during their trip, and *unplanned behavior*, which concern local activities and attractions. Core decision are typically made well in advance of travel, while loose plans made be made anywhere between days to months before travel, and unplanned decisions are made within hours or minutes of the activities and attractions. No specific distributions or timelines were recorded in their research.

In an empirical study of tourists to Olympia in Greece, Zouni and Kouremenos (2008) found that the most common response, consisting of 30.3% of their respondents, to the query regarding when planning was initiated was between 1 and 6 months prior to travel. In a study of Chinese visitors to Macau, the mean planning initiation time was 3.8 weeks prior to travel and that the destination decision mean occurred 3.4 weeks prior to travel. The mean number of days for the total trip was 3.58 days, and the mean value for the number of nights spent in Macau was only 1.21 (Choi, Lehto, Morrison & Jang, 2012).

Hyde reports, in a review paper, that personal sources of information appear to be the most important, and that information search is positively related to education, income, and distance traveled (2009). When Hyde surveyed first-time visitors to New Zealand, mostly from Australia, he found that 30% used the Internet, 40% used friends, and 42% used guidebooks and brochures for information. Becken and Wilson report that previous travel experience and word-of-mouth were extremely influential in making core decisions (2007) prior to travel. Guidebooks and to a lesser extent the Internet were also employed before traveling. During travel guidebooks, visitor centers, word-of-mouth from other tourists, and brochures were used. In a study of tourists to rural Indiana Luo, Feng and Cai did not find any statistically significant difference between seniors and non-seniors with regard to Internet usage for trip planning (2004). Further, their research did not find statistically significant differences in Internet usage by education or occupation.

This study adds to this body of literature by empirically determining the initiation of planning for trips to southern and central Utah, and in assessing the relative importance of various sources of information for different variables.

METHODOLOGY

The visitor profile study covered eleven different counties in southern and central Utah. The overall objectives were to 1) identify the demographic characteristics of visitors, 2) identify where they came from, where they went, and what they did, 3) to determine if there are seasonal differences in origin, destinations, activities and expenditures, and 4) to determine what information sources were utilized by visitors. The geographical area is large, and encompasses five national parks, five national monuments, and one national recreation area. Given the relatively modest budget, it was decided to recruit members of the hospitality industry to distribute and collect surveys. A total of 122 properties agreed to participate: 67 lodging properties, 11 bed and breakfast inns, 10 RV parks, and 34 campgrounds. Potential respondents in national parks and monuments were approached by student assistants, and elsewhere by front desk personnel. Respondents could elect to fill out a paper questionnaire on site, later to be mailed in, or by filling out the questionnaire online. Emails were collected from many potential respondents, and a link sent to them later. During the winter and spring seasons Quick Response (QR) codes were employed, as well, whereby respondents could fill out the questionnaire from their smart phones. Finally, tour operators cooperated by having their customers fill out surveys. Surveys were available in English, Japanese, French and German.

The questionnaire was developed so results could be compared to data from D.K. Shiflet & Associates, a major hospitality-based market research firm used by the Utah Office of Tourism, and with data from the Office of Travel and Tourism Industries of the U.S. Department of Commerce. Input was solicited from the county tourism directors regarding sites and activities, as well. The result was a rather lengthy questionnaire, consisting of 35 questions with over 100 items requesting a response. Dillman's Total Design Method was used to the extent possible in questionnaire construction (Dillman, 1978). The actual wording for questions addressed in this report should be evident from the tables.

Given the way in which the questionnaire was distributed it is not possible to compute response rates. Further, the sample is essentially a convenience sample, and therefore most statistical tests are only approximate, and can be assumed to be representative of the population only to the extent one assumes the sample is, in fact, equivalent to a random sample. The study should be considered to be exploratory in nature and the results suggestive. A total of 1113 useable questionnaires were collected.

RESULTS

Of those who indicated the purpose of their trip, 990, or 92.4%, said the primary purpose was for leisure or personal purposes, and 82, or 7.7%, indicated the primary purpose was for business. The modal age of respondents was 55 to 64 years (26.9%), followed by 45-54 years (23.7%), and 54.2% were male. A full 36.2% indicated their highest education level was college post-graduate, and another 37.7% had graduated from college. The modal income category was $80,000 to $99,999 (15.7%), and 42.5% had a household income greater than $100,000. The mean number of children in each group was .54, and the mean number of adults in each group was 3.58. When asked about the length of their current trip, 57.3% indicated they would be away more than 6 nights. The next most common indicated length, chosen by 16.3%, was 2-3 nights.

For the purposes of this study only the 990 respondents that indicated the primary purpose of the trip was for personal or leisure purposes were used. Table 1 provides a breakdown of the primary reasons for travel.

Table 1. Primary Purpose of Trip

	Frequency	Percent
Weekend Getaway	132	13.3
General Vacation	667	67.4
Visit Family and Friends	63	6.4
Special Event	62	6.3
Other	66	6.7
Total	990	100.0

PLANNING HORIZON RESULTS

Table 2 provides frequency distribution of their responses to the question regarding when they started to make travel plans. With the exception of 10.3% of the respondents that initiated planning within a week of leaving, the distribution of responses is fairly equal.

In order to examine the relationship of planning horizon to various demographic variables two methods were employed. First, a series of Chi-Square analyses of crosstabulations were conducted. Second, ANOVA and least significant differences (LSD) post hoc pairwise tests were used to identify meaningful differences between and among means of the various groups (Neter & Wasserman, 1974). The results with regard to indicated levels of significance, or p-values, were consistent. Since ANOVA and LSD are more intuitive and informative the discussion that follows are based on those results.

Table 2. Planning Horizon of Visitors		
	Frequency	Valid Percent
Within a week of leaving	100	10.3
Within a month of leaving	186	19.1
Within two months of leaving	169	17.3
Within three months of leaving	157	16.1
Within six months of leaving	177	18.2
More than six months before leaving	186	19.1
Total	975	100.0
Missing	15	
Total	990	

In order to use ANOVA and LSD a transformation was employed. Specifically, responses were changed from ordinal data to scale data as depicted in table 3.

Table 3. Transformation of Planning Horizon Results	
Response categories to "When did you begin to make travel plans for this trip?"	Assumed number of days
1. Within a week of leaving	3.5
2. Within a month of leaving	15
3. Within 2 months of leaving	45
4. Within 3 months of leaving	75
5. Within 6 months of leaving	135
6. More than 6 months before leaving	270

Thus, it was assumed that the average of the respondents that selected a category was the midpoint of the appropriate category. A stronger assumption, perhaps, is that the average of those that selected 'More than 6 months before leaving' was 9 months, or 270 days. The result of these adjustments are presented in table 4.

Table 4. Descriptive Statistics Regarding Mean Planning Horizon	
Average (mean) :	96.06 days
Standard deviation (s.d.)	93.09
Number of observations (n)	1068
95% confidence interval:	90.47 to 101.65 days

One-way Analysis of Variance (ANOVA) was used to test the hypothesis that the means of various groups were equal. ANOVA was run for all the following variables: Survey season, household income, highest education level attained, domicile of U.S. visitors, and domicile of international visitors. Response categories for these variables on the questionnaire were all categorical, hence were nominal or ordinal. The null hypothesis, that the means of all groups are equal, was rejected for all variables except for household income. With regard to household income, the ANOVA indicated level of significance, or p-value, was .217 (n=847). Thus, the data suggests that household income does not influence the planning horizon.

With regard to the pairwise LSD comparison of means, the differences were deemed to be statistically significant if the level of significance, or p-value, was less than .05. In most cases where there was a statistically significant difference the computed p-values were substantially less.

The results for each independent variable (factor) tested are presented below. Note that numbers in each figure represent the mean planning horizon for each group listed on the x-axis.

As indicated in figure 1, the longest planning horizon was 116.8 for summer visitors, and the shortest was for winter visitors, with a planning horizon of 57.3 days. When the relationship between season and planning horizon was examined employing ANOVA, the p-value was 0.000 (n=975). Post hoc results indicate that the difference between summer and spring visitors is not statistically significant, and the difference between fall and winter are likewise not statistically significant. However, the differences in the planning horizons of fall and winter visitors as compared to spring and summer visitors are statistically significant, with a p-value of .000 in all comparisons.

Figure 1. Planning Horizon by Season

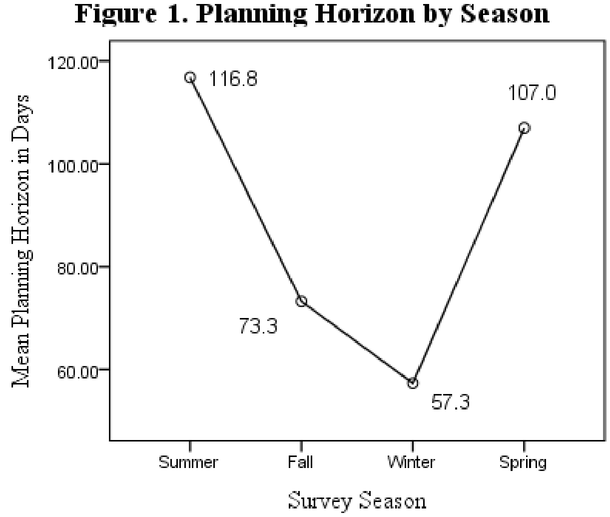
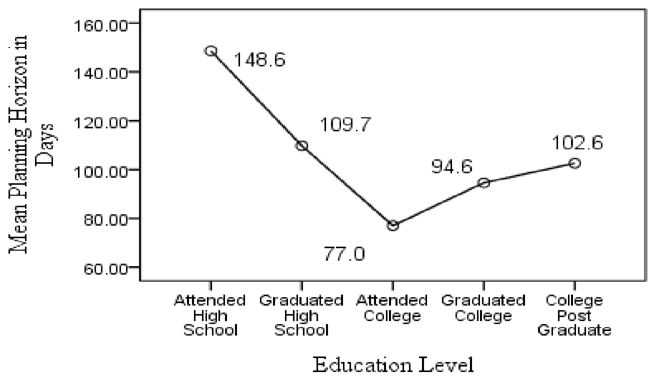


Figure 2 plots the mean days of planning against the highest education level attained by the respondent. The p-value associated with ANOVA was .001 (n=932). Post hoc tests indicate that the mean in the ‘attended high school’ category is significantly higher than all other categories except for the ‘graduated high school’ category, where the p-value was .050. In addition, the difference between the ‘graduated high school’ and the ‘attended college’ categories is statistically significant (p=.015). The difference between the ‘attended college’ and 'graduated college' categories approached statistical significance (p=.054). Finally, there are no statistically significant differences among high school graduates, college graduates and college post-graduates.

Figure 2. Planning Horizon by Highest Education Level Achieved



The mean planning horizons for U.S. visitors by region is depicted in figure 3. The ANOVA p-value was, once again, .000 (n=650). Based on post-hoc tests there is a statistically significant difference between visitors from the mountain states and all others (p=.000 and .001). The Mountain region consists of Idaho, Montana, Wyoming, Colorado, Utah, Nevada, Arizona and New Mexico. The Pacific region consists of those states that border the Pacific Ocean. The East Coast region consists of those states which border the Atlantic Ocean, plus Pennsylvania, Vermont, and West Virginia. The Central region consists of the remaining states. There were no statistical differences among the other three regional means.

Figure 3. Planning Horizon by Domicile, U.S. Visitors

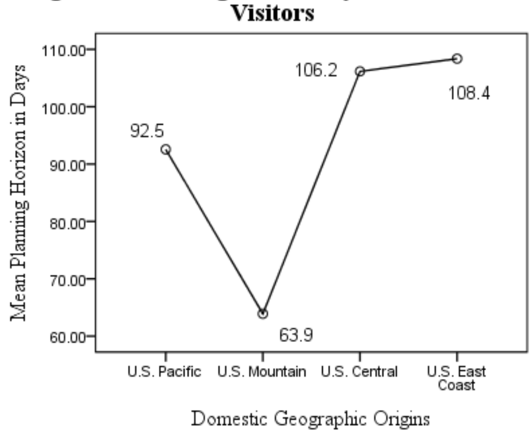
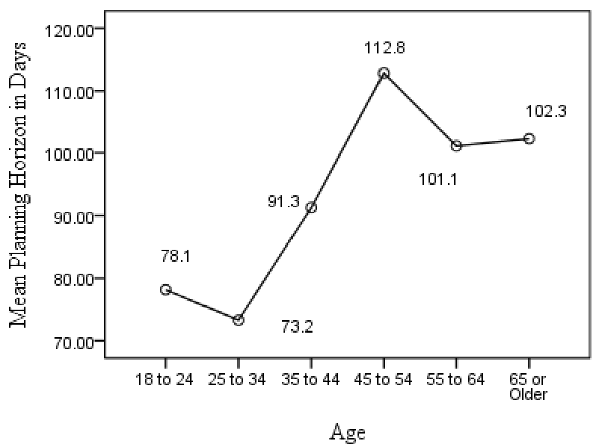


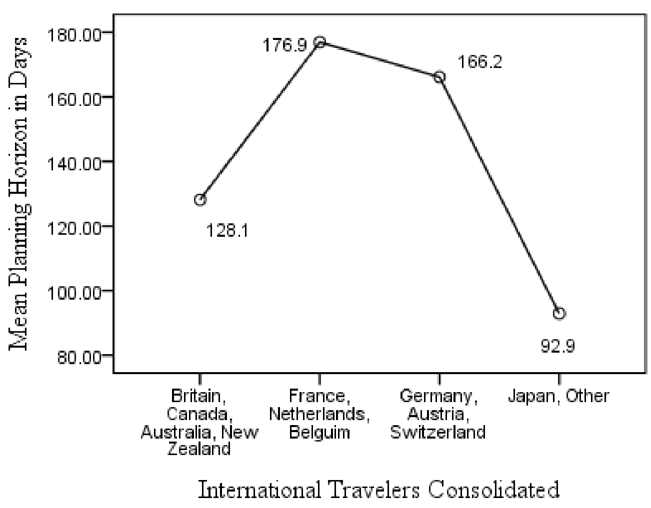
Figure 4 shows the results for the relationship between age and planning horizons. The p-value associated with ANOVA was .009 (n=940). Post hoc analysis indicates the mean for 18-24 years old is not statistically different from any other age group. The difference between the mean for the 45-54 year olds and the means of the 25-34 and the 35-44 years olds are statistically significant (p=.000 and .033, respectively). The values for the 55-64 and the 65 and older categories are statistically different from the 25-34 categories (p=.009 and .010 respectively).

Figure 4. Planning Horizon by Age



There were 243 international leisure travel respondents. Due to relatively small numbers from each country, they were grouped as indicated in figure 5.

Figure 5. Planning Horizon by Domicile, International Visitors



All international visitors from English speaking countries were lumped together, although it could be argued that Canadians might not need as long a planning period as New Zealanders or Australians. While combining results of visitors from Germany, Austria and Switzerland makes intuitive sense, lumping visitors from the Netherland in with the French is less defensible. Treating Asians different from Europeans seems defensible, much more so than combining the responses of Japanese tourists (n=43) with those from other countries (n=14). Be that as it may, the ANOVA p-value was .000. Post hoc analysis indicates that the only non-significant difference is between the 'France, Netherlands, Belgium' and the 'Germany, Austria, Switzerland' groups.

INFORMATION SOURCE INFLUENCE RESULTS

Table 5 summarizes the results of the influence of various sources of information. The response categories in the questionnaire included one more column, labeled 'Don't recall or don't know.' The percentages in the 'Don't recall' column varied from a high of 13.3% (n=108) with regard to newspapers to a low of 5.6% for both 'Friends and relatives' (n=51) and 'Tourist offices (n=51). Data from this column was ignored in the analyses.

Table 5. Overall Results of Information Source Influence in Rank Order Based on Percent of Very Influential.

	Very Influential	Somewhat Influential	Not Very Influential	Knew of source, did not use	Did not know about source
1. Knowledge from past experience (n=865;80%)	489 (56.5%)	195 (22.5%)	56 (6.5%)	80 (9.2%)	45 (5.2%)
2. Internet sites (n=892;82%)	473 (53.0%)	264 (29.6%)	59 (6.6%)	73 (8.2%)	23 (2.6%)
3. Other (Please specify) (n=133;12%)	64 (48.1%)	21 (15.8%)	14 (10.5%)	21 (15.8%)	13 (9.8%)
4. Friends and relatives (n=860;79%)	302 (35.1%)	244 (28.4%)	152 (17.7%)	124 (14.4%)	38 (4.4%)
5. Guidebooks (e.g., Frommers) (n=839;77%)	201 (24.0%)	206 (24.6%)	90 (10.7%)	262 (31.2%)	80 (9.5%)
6. Travel Agent (n=732;67%)	85 (11.6%)	46 (6.3%)	124 (16.9%)	416 (56.8%)	61 (8.3%)
7. Utah Office of Tourism *Travel Guide* (n=779;72%)	51 (6.5%)	97 (12.5%)	78 (10%)	216 (27.7%)	337 (43.3%)
8. Brochure racks in hotels, other places (n=751;69%)	37 (4.9%)	136 (18.1%)	166 (22.1%)	339 (45.1%)	73 (9.7%)
9. Tourist offices (n=746;69%)	36 (4.8%)	106 (14.2%)	161 (21.6%)	361 (48.4%)	82 (11%)
10. Magazines (n=739;68%)	34 (4.6%)	126 (17.1%)	185 (25%)	318 (43%)	76 (10.3%)
11. TV programs (n=569;52%)	25 (4.4%)	73 (12.8%)	120 (21.1%)	266 (46.7%)	85 (14.95)
12. Newspapers (n=707;65%)	18 (2.5%)	64 (9.1%)	182 (25.7%)	344 (48.7%)	99 (14%)

Crosstabulations for each source were constructed by survey season, household income, education levels, marital status, international visitors, domicile for U.S.-based visitors, and age. The analysis was performed twice: once with all response categories except for the “don’t recall” or “don’t know,” and again using only those respondents who knew about the source and used it.

While a complete presentation of statistically significant results would be lengthy and not add much, if any, academic value, a few highlights warrant mention. As table 5 indicates, the Internet was second only to personal experience with regard to being influential, and in fact is the most influential of the list if the top two categories are used to rank order sources (79% rate personal experience as very or somewhat influential, against 82.6% for the Internet). When a Chi-Square was computed for the Internet influence by age, the p-value was .016. Perhaps not surprisingly, those in the oldest category found the Internet as being less influential than those in younger categories. Even so, 86.2% of those over 65 rated the Internet as very influential (47.7%) or somewhat influential (38.5%).

With regard to guidebooks, the Chi-Square p-value for the crosstabulation of age by guidebook influence was .028. In the youngest age category, 18-24, 29.2% indicated they did not know about them. Guidebooks also appear to be most influential for those who have only attended or graduated from high school (p-value of Chi-Square=.023). Finally, and not surprisingly, guidebooks are less influential for U.S. residents from the mountain states than those from other U.S. regions (p-value=.002).

With regard to the influence of travel agents, results suggest that those with only a high school education or who only attended high school are more likely to rate travel agents as influential (p-value=.000). Similarly, the p-value associated with the household income by travel agent influence was significant (p-value=.000). Those with incomes below $60,000 rated travel agents as more influential. The crosstabulation and Chi-Square associated with travel agent influence by age, with a p-value of .010, suggests that older travelers find travel agents more influential.

The results with regard to the Utah Office of Tourism *Travel Guide* are noteworthy. A significant number of visitors, 43.3%, were unaware of its existence. An analysis of a series of crosstabulations suggest that it is rated as less influential by mountain state residents (p-value .004), and by winter visitors (p-value.000).

In analyzing the crosstabulations and the associated levels of significance, the pattern suggests that mountain state residents find most sources as less influential than residents from other U.S. regions. This pattern also applies to winter visitors. It is likely that mountain state residents are more familiar with Utah, and hence rely more on internal memory, but it is not clear why winter visitors find many sources less influential. It may be that some conventional sources of information do not contain information about the activities they are pursuing, that they are interested in activities with which they are very familiar or don’t require a lot of information (e.g., cross country skiing or snowmobiling).

DISCUSSION

With regard to planning horizons, the finding that income is independent of planning horizon is inconsistent with Hyde’s generalization that higher income is associated with greater information search (2009), and with the results of Luo, Feng, and Cai (2004). However, it is possible that higher income travelers collect more information more efficiently and quickly. Hyde's generalization that education level is positively associated with information search also appears to be inconsistent with this study, as well as the study by Luo, Feng and Cai (2004), since in this study the mean planning horizon was significantly greater for those who had not graduated from high school. The study does, in a general way, support the notion that longer travel distances are associated with more information collection, in that mountain region travelers had shorter planning horizons than travelers from other regions of the country. However, once outside of that region there were no statistically meaningful differences. The differences with regard to international travelers might be an artifact of data collection, be due to cultural differences, or be the result of the inclusion of tour groups whose members may have left the planning and alternative evaluation to the tour providers.

Different sources of information received different influence ratings from different configurations of travelers. Interestingly, in comparing the results of Hyde (2006) to this study, there appear to be some significant differences. However, it should be conceded that Hyde was asking about *where* travelers obtained their information, and not about *how influential* they were. That said, it appears that Hyde's New Zealand visitors used the Internet less and guidebooks and brochures more than Utah visitors. Bear in mind that Hyde's survey was in 2005, and was concerned with a different country, and was restricted to first-time visitors.

It is noteworthy that the Internet, as a tool for obtaining information, appears to have solidly entered the maturity phase of its life cycle. Although older Utah visitors did not find it as influential as younger visitors, 86.2% indicated that it was at least somewhat influential. Further, the Internet rivals personal experience and dominated the influence of friends and relatives.

The detailed results of this study may be partially due to sampling issues. However, it is clear that the results do indicate that hospitality firms, trade associations, and state tourism agencies need to have a clear understanding of their target groups, and that this requires marketing research.

Future research would benefit by restricting the scope of the research and allocating more resources to controlling sampling. Further, looking into the 'why' of behavior, instead of just who and when, would yield practical and theoretical insights.

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THE EFFECT OF A WAL-MART SUPERCENTER ON SUPERMARKET FOOD PRICES: THE CASE OF THE CITY OF PLATTSBURGH IN UPSTATE NEW YORK

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ABSTRACT

The present study assesses the competitive impact of a Wal-Mart Supercenter on food prices on three local Supermarkets chains located in the city of Plattsburgh in upstate New York. The price data collected was part of a Market Basket Consumer Price Index Study and was collected on a bi-weekly basis over a period of twenty-three months. Forty-one (41) Food Items prices ranging over eight (8) categories are studied. Food price differences between a Wal-Mart Supercenter and three (3) Supermarket chains are reported. Price differences between national brands and private labels are equally reported. We compare our findings with that of a number of previous studies that have addressed the same issue, this within the Marketing Literature. Our results are, overall, similar in both magnitude and direction as that of previous studies. Specifically, we found that Supercenter prices were lower in all eight (8) food categories and significantly so in three out of five common food categories. Notwithstanding this result, we find that supermarket prices are not directly influenced by the Wal-Mart Supercenter's pricing strategy.

Keywords: Food prices, Supercenter, Supermarket, National Brands, Private Labels, Marketing Strategies, EDLP.

INTRODUCTION

Wal-Mart's meteoric rise to dominance in U.S. food retailing within 4 years of its entry in the food industry has motivated efforts to understand the effects of Supercenters stores on consumers, competitors and the economy in general. Wal-Mart began selling food in 1988 as it opened its first Supercenter that same year, and in 2002, became the largest U.S. grocery chain (Hausman and Leitbag, 2004). According to industry analysts, Wal-Mart offers lower prices on food in order to bring traffic into its Supercenters with the hope of selling higher-margin general merchandise and Wal-Mart would have the potential of treating the entire food business as a loss leader (Singh, Hansen, and Blattberg, 2006). Using 2003 data, Little (2004) estimated that SMC's, which comprise non-traditional shopping formats for the sale of food/groceries such as

Supercenters (Wal-Mart, Kmart, Meijer, etc.), Mass-Merchants (Wal-Mart, Kmart, Target, etc.), and Warehouse Clubs (Sam's, Costco, and BJs), had 24.8% of food expenditures with Supercenters (mostly former Wal-Mart general discount stores expanded from 125,000 square feet to 180,000 square foot stores with approximately 30% of the floor space dedicated to the sales of food/groceries) accounting for 45.6% of the food sales within this category. In an empirical study of the impact of the entry of a Wal-Mart Supercenter on a conventional Supermarket, Singh, Hansen, and Blattberg (2006) estimated that the incumbent supermarket lost 17% of its sales volume (which amounted to a quarter million dollars in monthly revenue).

In 2003, the Wall Street Journal reported that of the 29 supermarket chains that had filed for bankruptcy-court protection in the last decade, Wal-Mart had been a catalyst in 25 of those cases (Singh, Hansen, and Blattberg, 2006). By 2008, Wal-Mart, excluding its Sam's Club food sales, had Supermarket-related revenues approximately 51 percent larger than runner-up Kroger, and larger than Albertsons and Safeway, respectively the third and fourth largest supermarket chains, combined (Hausman and Leitbag, 2009). In 2009, Wal-Mart generated 51 percent of its $258 billion sales in the U.S. from its grocery business. According to Singh, Hansen, and Blattberg (2009), Wal-Mart's tremendous success in the grocery industry is explained by the following three (3) factors: First, there is Wal-Mart's size (4,458 stores in the U.S. and close to 6,000 stores outside the U.S. in 2012) allows the company to bypass wholesalers with the majority of the merchandise at the supercenters, (3,029 Supercenters in 2012) including perishables, supplied through its distribution centers; Second, Wal-Mart's proprietary Retail Link software provides it with a tremendous advantage in logistics and inventory control. These authors quote a study by McKinsey & Co. that established that Wall-Mart's efficiency gains were the source of 25 percent of the entire U.S. economy's productivity improvement from 1995 to 1999. Finally, nonunionized labor is a key factor in keeping costs low at Wal-Mart (labor for the majority of supermarket chains, is unionized, and represents approximately 70 percent of the overhead).

The impetus for the present article came from our School of Business and Economics' Marketing and Entrepreneurship Department (within the State University of New York College at Plattsburgh) acceptance, this in summer 2011, to take over the "CPI Food Market Basket Data collection project". This project had been previously accomplished by a now defunct on-campus federally funded agency. This agency had been in charge of collecting, measuring, and reporting food price fluctuations by surveying three (3) conventional supermarkets and one Wal-Mart Supercenter, all located in the city of Plattsburgh, a nonmetropolitan area/rural setting (population of 22,000 people) in upstate New York, 35 miles away from the U.S./Canada border. The survey instrument utilized was composed of forty-one (41) food items. Our department began collecting food price data on a bi-weekly basis in September 2011. For the present study, we analyze food prices variations over a period of 23 consecutive months (from September 2011 to July 2013).

PURPOSE OF THE STUDY

Our study assesses the impact of a Wal-Mart Supercenter on food prices of three (3) Supermarkets located in a nonmetropolitan/rural setting and we compare our findings with that of previous studies found in the marketing literature. Specifically, we first compare and ascertain how similar or different, in direction and magnitude, our findings in terms of food price differentials are from the results of previous studies that assessed the impact of Supercenters on supermarkets (for example, Volpe and Lavoie, 2007; Hausman and Leitbag, 2004), this in view of the following eight (8) different grocery categories (Produce, Frozen foods, Canned Goods, Beverages, Meats, Breads, Cereals, and Grains, Miscellaneous products, and Dairy). Secondly, we investigate if our findings are equally similar or different to previously reported food price differences between National Brands and Private Labels (as reported by Volpe and Lavoie, 2007). Finally, by analyzing food prices over a period of twenty-three (23) months, we determine to what level are supermarket food prices influenced by Wal-Mart's Supercenter pricing strategy.

LITERATURE REVIEW

As early as 2002, Solomon Smith Barney estimated that the price gap between Wal-Mart Supercenters and Supermarkets to vary from 5% to 25% (Hausman and Leitbag, 2005). A 2002 UBS Warburg Investment Research survey found a price gap of 20.8% to 31.9%. The following year, in 2003, another survey conducted by UBS Warburg Investment Research of 100 grocery and non-grocery items found that Wal-Mart Supercenters' prices were 17% to 39% lower as competitors' prices (Currie and Jain, 2002). Currie and Jain (2002) found that grocery prices at all food stores were on average 13% lower in cities where there was a Supercenter. In 2003, a Time Magazine article citing the opinion of a food industry analyst reported that Supercenters were able to under price their supermarket competitors by 15%. A 2003 Wall Street Journal article reported that prices at Wal-Mart Supercenters were 8% to 27% lower as compared to grocery prices at Kroger, Albertsons, and Safeway, the three leading supermarket chains in the food retailing industry. An empirical study conducted by Hausman and Leibtag (2004) established that prices for food categories studied were 5 to 48% less at SMCs than prices for the same products in supermarkets and other conventional retail outlets. When they computed an average across all food categories, they found that SMCs had prices 27% lower than traditional supermarkets. In the specific case of Wal-Mart, they found that their Supercenters sold identical food items at an average price about 15 to 25% lower than traditional supermarkets. In 2006, Artz and Stone established that Wal-Mart's Superstore entry into nonmetropolitan markets reduced growth of grocery sales by nearly 17 percentage points, this within two years of entry.

In investigating the effect of Wal-Mart Supercenters on grocery prices in New England Volpe and Lavoie (2007) studied fifty-four food products sold at six Supercenters and six large supermarkets. They found that the Overall Competitive Effect of Wal-Mart Supercenters on

Food at Home prices in New England was a price decrease between 6.83 to a 7.23% for National Brand Goods and a 3.28 to a 8.01% price decrease for private labels (using nonpromotional prices in both cases). Hence, they found that Supercenters had a greater price impact on national brands than private labels. Given that national brands are usually more expensive than private labels, they suggest that Supercenters lower the price margin between branded and unbranded goods. Volpe and Lavoie (2007) equally found that the greatest impact of Wal-Mart Supercenters, in terms of price decrease, is in the grocery and dairy departments, this for both national and private labels. Lower prices were also observed for national brand produce, and private label HBA (Health Beauty Aid). According to their study, there was no statistically significant price effect on goods in the frozen food department. Finally, taking into account market concentration, demographic variables, and store characteristics, they estimated that the average price difference between Supercenters and supermarkets for national brand products ranged from 14 to 23%, and that the corresponding differences for private labels were lower, ranging from 7 to 18%. Volpe and Lavoie (2007) quote a study by Dhar and Hoch (1997) that found that a common strategy used by supermarkets to increase consumer traffic has been to lower the price and improve promotions on national brands as well as carry a greater number and assortment of national brands. They suggest that this strategy may well be effective in New England because it is a wealthier area relative to the nation as a whole, and that national brands are preferred by wealthier consumers. According to Martens (2009), prices at Wal-Mart are more stable than prices at competitors, as Wal-Mart adjusts prices one-third to three times slower for cost increases, and five to seven times slower for cost increases. A study conducted by Basker and Noel (2009) to estimate the effect of Wal-Mart's Supercenters on competitors' prices of 24 grocery items in five (5) categories (dairy products, meats, produce, canned and frozen goods, and miscellaneous items) found that the Supercenters average price advantage over competitors was 10%. They equally found that, on average, smaller supermarket chains' response to a Supercenters' entry was a price reduction of 1 – 1.2%. Interestingly, in the case of Kroger, Albertsons, and Safeway, the three largest supermarket chains in the U.S., the price reductions were less than half the reported 1 – 2%. A study conducted by Cleary and Chavas (2012) focusing on the price of milk in the Dallas/Fort Worth metroplex area found that Wal-Mart Supercenters induced supermarkets to price their private label milk more competitively as well as induced manufacturers to become more responsive to price changes. Table 1 (at the end of our paper) summarizes the findings of all relevant previous "Wal-Mart Supercenter price impact on traditional supermarkets 'pricing strategies" studies.

METHODOLOGY

As part of a city of the Plattsburgh Market Basket Food Price Data Collection Project that has been in operation since 1978, prices for forty-one (41) food items purchased at three supermarkets and a Wal-Mart Supercenter (Figure 1) collected on a bi-weekly basis over a period of twenty-three (23) months are analyzed. These food items are classified into eight (8) categories, namely Produce, Frozen Foods, Canned Goods, Beverages, Meats, Breads/Cereals/Grains, Miscellaneous, and Dairy. For our study, the unit of analysis used was the category. Hence, a total of 7,544 prices regrouped into eight (8) categories were analyzed. The categories, as described in Figure 1, had a median of 6 items with the largest category consisting of seven items (Meats) and the smallest category containing two items (Miscellaneous). For each of the forty-one (41) food items within the eight (8) food categories, the monthly price for each item was arrived by averaging the two prices collected for that item in that month. The monthly category price was obtained by adding the monthly prices of all the items in that category for that month. This process was repeated for twenty-three (23) months for each of the three (3) city of Plattsburgh supermarkets and the Wal-Mart Supercenter.

In order to compare all supermarket prices with Supercenter prices as well as compute correlations to establish if supermarket prices "followed" or were "influenced" by Supercenter prices, a monthly "Average Supermarket Price" for each of the eight (8) food categories was calculated by averaging the monthly prices within each food category of the three supermarkets. In order to determine whether the prices at the three (3) supermarkets were higher than prices at the Wal-Mart Supercenter, we used two approaches. First, in order to get a visual (or qualitative) sense of the trends in price differences, we plotted the monthly prices per category for all the stores for each of the eight (8) Food categories (see Figures 2A to 9A). We also visually compared the difference in prices between the three (3) supermarkets as a whole and Wal-Mart's Supercenter, by graphing the Supercenter monthly category price and the monthly Average Supermarket Price for that category (see Figures 2B to 9B). Second, in order to determine if the prices at Supercenter were statistically significantly different from the prices at the supermarkets, we used SPSS to perform the t-Test for Equality of Means for each category, at alpha (α) = 0.05. Finally, in order to determine if Wal-Mart's Supercenter influenced the prices at supermarkets, hence, if the Supercenter acted as a price leader, correlation analyses were equally accomplished. In the next section, we discuss our study's findings. Our study shares many similarities as well as differences with that of the Volpe and Lavoie (2007) study mentioned in the literature review. For us, the Volpe and Lavoie (2007) study is the most revealing study on price differences between Wal-Mart Supercenters and supermarket chains (see Table 3). This is because of a number of important reasons: first, their study precisely deals with only Supercenter and supermarket prices. Unlike the Hausman and Leibtag (2004) study which lumps food prices of Supercenters with those of Warehouse Clubs and Mass Merchandisers and identify these as SMCs, Volpe and Lavoie (2007) clearly distinguished food prices between only Supercenters and supermarkets. Our study did the same. Second, Volpe and Lavoie (2007) distinguished between National Brands and Private Label Brands. Their study of 54 foods items was divided into 30 National Brands (55%) and 24 Private Labels (45%). Our study equally made this distinction and of the 41 food items studied 15 were National Brands (37%) and 26 (63%) were Private Labels. Third, they collected their price data from both in-store Supercenter and supermarket shelves versus Hausman and Leibtag (2004) study that used Nielsen Panel data. Our study also collected only price data from in-store Supercenter and Supermarket shelves. Fourth, Volpe and Lavoie (2007) studied supermarkets that were all located within five (5) miles from the Supercenter. This within five (5) mile distance between both types of food retail stores was equally respected in our study. Our study differs with that of Volpe and Lavoie (2007) in the four (4) following ways: First, our study of three (3) supermarkets and one (1) Supercenter in one (1) unique location which corresponds to a nonmetropolitan area (population below 100,000 people) contrasts with their study of sixteen stores (6 Supercenters, 6 Large Supermarkets, and 6 regular supermarkets) located in three (3) New England states and all in metropolitan areas. Second, whereas our study always collected the lowest food item price available, their study collected only "nonpromotional" food prices. Third, they constructed departmental/category food price indexes that used expenditure-weighted relative prices which respect the patterns of consumption in the United States. Finally, they collected food price data during the month of October 2004. Our data was collected over a period of twenty-three (23) months between September 2011 and July 2013.

FINDINGS

As may be observed in Table 2, the price differences between the three (3) supermarkets and Wal-Mart's Supercenter over the eight (8) food categories for a period of twenty-three (23) months are all lower at Wal-Mart's Supercenter and vary between 25.5% and 3.3%. Specifically, prices differences, in decreasing order of importance, were as follows: 1. Produce was priced 25.5% lower at the Supercenter; 2. Beverages were priced 23.5% lower at the Supercenter; 3. Canned Goods were priced 20.8% lower at the Supercenter; 4. Frozen Foods were priced 20.7% lower at the Supercenter; 5. Miscellaneous Products were priced 19.4% lower at the Supercenter; 6. Breads, Grains, and Cereals were priced 17.6% lower at the Supercenter; 7. Meats as well as 8. Dairy Products were both priced at only 3.3% lower at the Supercenter. A possible explanation for the very little price differences observed for both Meat and Dairy products may be that the three (3) supermarkets make it a priority to strongly compete with the Supercenter and use both food categories as promotional tools to attract shoppers to their stores. For example, the Big M Yandos supermarket is locally known for having the greatest number of specials on certain cuts of meat. In the following lines, we will report our study's results per food category, this as reported in Tables 2 and 3 and Figures 2A to 9A as well as Figures 2B to 9B.

1. PRODUCE**:** As may be observed in Table 2, the Supercenter's 25.5% lower price difference for produce corresponds to our study's largest observed food price difference (ranked number 1 out of 8 food categories) and is equally significant (.0001). In our study, 84% of produce corresponded to National Brands which is usually the case for produce sold both in supermarkets as well as supercenters. The correlation coefficient which corresponds to 0.30137 is below 0.50 and is considered low. Hence, we may conclude that, in the case of the city of Plattsburgh, supermarkets

prices for produce are not influenced by Supercenter prices. Figures 2A and 2B help visualize this. From Figure 2A, we may, first, clearly observe that the Supercenter prices produce at a much lower price than each of the three (3) supermarkets. Second, it is also interesting to note the disparity or sometimes "asymmetry" between Supercenter and supermarket prices for produce over the observed twenty-three (23) months. Third, supermarkets would seem to not only set their prices independently from the Supercenter but equally from one another. Figure 2B shows the averaged prices of supermarket produce prices and how they distinctively differ from those of the Supercenter. Finally, using Table 3, we compare our study's results with those of Volpe and Lavoie (2007) and Hausman and Leibtag (2004). Volpe and Lavoie (2007) found that Supercenters in three (3) New England states (Mass., Conn., and R.I.) priced produce lower by 16.82% in the case of National Brands (Table 3 column 4). This compares well with our study's 25.5% finding (Table 3 column 2). The price difference is both in the same directions as well as of comparable magnitude. The fact that our study found a larger price difference between the Supercenter's price and that of the three (e) supermarkets may reside in our focus on always collecting the lowest price available whereas Volpe and Lavoie (2007) collected only nonpromotional food prices. Hausman and Leibtag (2004) equally reported that Supercenters priced produce at a lower price than supermarkets. No specific metric was mentioned by them but still, if they had, because they lumped together Supercenters, Ware- House Clubs, and Mass Merchandisers food prices, in view of our study's purpose, the validity of their result would be questionable.

2. FROZEN FOODS: As may be equally observed in Table 2, the Supercenter's 20.7% lower price difference for produce is ranked number 4 out of 8 food categories and is also very significant (.0001). In our study, 80% of frozen foods corresponded to Private Label Brands. The correlation coefficient, which corresponds to negative 0.36393, is below 0.50 and is considered low. Hence, we may conclude that, in the case of the city of Plattsburgh, supermarkets prices for frozen foods are also not influenced by Supercenter prices. Figures 3A and 3B help visualize this. From Figure 3A, first we clearly observe that the Supercenter prices frozen foods at a much lower price than each of the three (3) supermarkets. Second, as in the case of produce, it is interesting to note the disparity or sometimes "asymmetry" between Supercenter and supermarket prices for frozen foods over the observed twenty-three (23) months. Third, again supermarkets would seem to not only set their prices independently from the Supercenter but equally from one another. Figure 3B shows the averaged prices of supermarket frozen foods and how they distinctively differ from those of the Supercenter. Most interestingly, the Supercenter seems to have more price stability than the supermarkets. Martens (2009), as mentioned earlier, established that prices at Wal-Mart are more stable than prices at competitors, as Wal-Mart adjusts prices one-third to three times slower for cost increases, and five to seven times slower for cost increases. As we shall conclude later, the Supercenters seem to have also adopted this pricing policy. Finally, in comparing our study's result with Volpe and Lavoie (2007) we notice that our frozen foods were 80% Private Labels and that the price difference, 20.7% versus 13.82% (column 4 in Table 3) is also in the same direction and of similar magnitude. It is also probably larger than what they found because our study focused on collecting the "lowest" prices available, whether the food category corresponded to a national or private label Brand. Hausman and Leibtag (2004) did not report any important price differences for frozen foods.

3. CANNED GOODS: Our study's price difference results for canned goods (or grocery products) are very similar to those reported for frozen foods. As may be observed in Table 2, the

Supercenter's 20.8% lower price difference for canned goods is ranked number 3 out of 8 food categories and is also very significant (.0001). One difference with the frozen foods findings is that in our study canned goods were mostly National Brands. The correlation coefficient, which corresponds to 0.276383, is below 0.50 and is considered low. Hence, we may again conclude that, in the case of the city of Plattsburgh, supermarkets prices for frozen foods are also not influenced by Supercenter prices. Figures 4A and 4B help visualize this. Figure 4B, as in the case of frozen foods, shows strong price stability on the part of the Supercenter. In comparing our study's result with Volpe and Lavoie (2007) we notice that our canned goods price difference, 20.8% versus 14.19% (Table 3) is also in the same direction and of similar magnitude. Once again, it is also probably larger than what they found because our study focused on collecting the "lowest" prices available. Hausman and Leibtag (2004) did not report any important price differences for canned goods.

4. BEVERAGES: Our study's price difference results for beverages of which 75% were Private Labels (column 1 in Table 2) are very similar to those reported for frozen foods. As may be observed in Table 2, the Supercenter's 23.5% lower price difference for beverages is ranked number 2 out of 8 food categories and is also very significant (.0001). The correlation coefficient, which corresponds to negative 0.29343, is below 0.50 and is considered low. Hence, we may once again conclude that, in the case of the city of Plattsburgh, supermarkets prices for beverages are also not influenced by Supercenter prices. Interestingly, Figures 5A and 5B seem to reveal that although Supercenter prices are again both lower and more stable than those of supermarkets, there seems to be less price variance between the three (3) supermarkets. This would indicate that supermarkets heavily compete with each other. Volpe and Lavoie (2007) did not report any results for beverages. Hausman and Leibtag (2004) found price differences in the cases of soda and bottled water.

5. MEATS and DAIRY PRODUCTS: Because both of these product categories shared important similarities, we present our study results for both product categories simultaneously. Our study's price difference results for meats (85% Private Labels) and dairy products (83% Private Labels) are very interesting. As may be observed in column 5 of Table 2, the Supercenter's 3.3% lower price difference for meats is tied with that of dairy products and both are ranked last out of the eight (8) food categories. Although the price difference for meat products and dairy products are lowest, they are both significant (.002 and .024 respectively). The correlation coefficients, respectively 0.128072 and 0.412107, are both below 0.50. Once again, we may conclude that, in the case of the city of Plattsburgh, supermarkets prices for beverages are also not influenced by Supercenter prices. Figures 6A and 6B in the case of meat products as well as Figures 9A and 9B in the case of dairy products would seem to tell a very different story. We observe for both product categories that Supercenter prices are not very sharp (sometimes supermarket prices are lower) but, in contrast with their usual relative stability, vary dramatically over time. Very aggressive competition seems to occur between Supercenters and supermarkets as well as between all three (3) supermarkets. There actually seems to prevail a pattern of increasing and decreasing meat and dairy product prices where competitors, whether the competition concerns Supercenters and supermarkets or supermarkets competing with each other, "follow" each other's price changes. In view of Volpe and Lavoie's (2007) findings, the "direction" of our price differences for meat and dairy products is similar but the "magnitude" differs. Whereas we found a 3.3% price difference between our Supercenter and supermarkets, they found an 11.55% price difference for private label meat products and a 13.36% price difference for private label dairy products. A possible

explanation for the very low price differences noticed for these two product categories in our study may be that, as stated in the case of the beverages food category, supermarkets aggressively promote meat products and dairy products to attract shoppers. The Hausman and Leibtag (2004) study reported price differences only in the case of dairy products such as butter, margarine, and ice cream.

6. BREADS, CEREALS, GRAINS and MISCELLANEOUS PRODUCTS: As in the case of both meats and dairy products, because breads, cereals, and grains (BCGs hereafter) and miscellaneous products (MCs hereafter) both share important similarities, we present our study results for both product categories simultaneously. As may be observed in column 5 of Table 2, the Supercenter's 17.6% lower price difference for BCGs (66% Private Labels) is ranked 6th out of the eight (8) food categories whereas MCs (50% Private Labels) are priced 19.4% lower by the Supercenter and is ranked 5th out of the eight (8) food categories. The price differences for both products are significant (both .0001). The correlation coefficients, respectively 0.168752 and 0.354497, are both below 0.50. Once again, we may conclude that, in the case of the city of Plattsburgh, supermarkets prices for both BCGs and MCs are also not influenced by Supercenter prices. Figures 7A and 8A in the case of BCGs as well MCs seem to indicate a certain level of symmetry between supermarket prices, although even more so in the case of MCs. One explanation for this may be that MCs are composed of only two food items (Canola Oil and Oreo Cookies) whereas BCGs are comprised of six (6) food items (Sugar, Kellogs Corn Flakes, Flour, Rice, Bread, and Spaghetti). Also, in the case of BCGs there are a higher proportion of private labels (66% versus 50% for MCs). Private labels have successfully been used by supermarkets to both attract as well as keep shoppers loyal. This could explain why supermarket BCGs seem to be more in competition than MCs. Figures 7B and 8B in the case of both BCGs and MCs reveal once again that both food item categories' Supercenter prices remain very stable over the 23 month period. Volpe and Lavoie (2007) did not report any results for beverages. Volpe and Lavoie (2007) as well as Hausman and Leibtag (2004) did not report any findings for BCGs nor MCs.

OVERALL RESULTS

In summary, our study has established that Wal-Mart's Supercenter in the city of Plattsburgh prices each of the eight (8) food categories at a lower price (between 25.5% and 3.3%) than the three (3) supermarkets. One important explanation for this finding stems from Wal-Mart's size and the resulting economies of scale it obtains when it purchases from its suppliers. In 2012, there were 3,029 Superstores in the U.S. as compared to 177 Hannaford supermarkets, 119 Price Chopper supermarkets and 22 Big M Yandos supermarkets. When comparing our study's findings with those of Volpe and Lavoie (2007), this in view of the five (5) food item categories equally assessed by both our and their study, we notice that we found lower Supercenter prices as compared with supermarket prices than what they reported, this on the following three (3) food categories: Produce (25.5% in our study versus 16.82% in their study, this for National Brands); Canned Goods (20.8% versus 14.19%, for National Brands); and Frozen Foods (20.7% versus 13.82%, for Private Labels). In the case of Meats, their study reported that Supercenters were cheaper by 11.55% versus our 3.3% finding (for Private Labels) finding. This finding was equally so for Dairy products were their study found that Supercenters were cheaper by 13.36% versus our 3.3% finding (also for Private Labels). In view of our study's findings, and especially in the case of meat products and dairy products very competitive "low price matching" strategy used by the three (3) supermarkets in Plattsburgh, it could be that Artz and Stone's (2006) finding that Wal-Mart's Superstore entry into nonmetropolitan markets (such as the city of Plattsburgh) reduced growth of grocery sales by nearly 17 percentage points, this within two years of entry, has long been a well known phenomenon to supermarket chains executives who made sure to have a "differentiation" marketing strategy in place so has not to "directly" compete with Wal-Mart Supercenters except for some consumer preferred food products/brands.

CONCLUSION

As suggested by Volpe and Lavoie (2007) "In general, more research is needed on the short-run and long-run price and nonprice response of supermarkets to Wal-Mart Supercenters. Such research would enable a better understanding of the profitability and viability of the supermarket industry in the context of rapid proliferation of Wal-Mart Supercenters".

Wal-Mart's initial entry into the U.S. food industry was overwhelming to its supermarket competitors. By 2004, one trade journal, Chain Store Age, had a headline entitled "Are Supermarkets Irrelevant" and stated "The question that retailers need to face in this go-around isn't just how to compete with Wal-Mart – but whether the Bentonville behemoth is actually making the traditional Supermarket irrelevant to the mainstream consumer" (Coupe, 2004). Singh, Hansen, and Blattberg (2006) suggested a number of ways supermarkets could compete with Wal-Mart Supercenters. They suggested that supermarkets utilize "Differentiation" with a focus on two (2) major weaknesses of Supercenters: Perishables and Convenience. Specifically, they suggested that supermarkets improve fresh produce and offer custom-cut meat departments, emphasize deli products, as well as ready-to-eat foods and salad bars. They also suggested that supermarkets broaden their product assortments (as Wal-Mart Supercenters limit their food assortment mostly to highest volume items) as well as offer a clean and friendly store atmosphere.

In 2007, a Wall Street Journal article suggested that traditional supermarkets had well learned how to compete with Wal-Mart's Supercenters by essentially "not copying" price obsessed Supercenters. Hence, successful supermarkets chains have been differentiating themselves from the Supercenters. For example, by 2007, Safeway Inc., the third largest food retailer after Wal-Mart and Kroger, has converted half of its 1,755 stores into "Lifestyle" markets where shoppers find on-site bakeries, high-end private label brands and wood floors. Many supermarket chains have learned to sidestep Supercenters, understanding that Supercenters aren't set up to satisfy the average consumer on all occasions. For example, many supermarket chains, (and more so the multiregional chains like Albertson's and Safeway rather than the regional chains) have cut back on drugs and health and beauty aids which are Supercenter strengths, and started emphasizing fresher and more varied produce, as well as higher-quality meat and easy-to-prepare foods, hence luring consumers who shop for dinner rather than those who uniquely stock up on groceries once a week (McWilliams, 2007). Although Supercenters' use a "Everyday Low Price" (EDLP) strategy and supermarkets use a "Hi-Lo" pricing strategy with weekly "loss leaders" or heavily discounted as well as promoted food items, Supercenters 'price advantage seem to have narrowed as supermarkets have equally cut their prices and that shoppers have discovered that they can save money by cherry-picking supermarkets 'weekly specials" and lower priced staples (McWilliams, 2007). The only exception to this "differentiating" strategy adopted by most supermarket chains in the U.S. is the Kroger supermarket chain which holds second place in food sales to Wal-Mart Supercenters. According to a Retailing Today 2008 article, Kroger's strategy for several years now has been to position itself in relationship to Wal-Mart Supercenters "and plow through the marketplace in formation with its sometimes adversary" (Duff, 2008). In 2008, Kroger supermarkets competed with Supercenters in 28 of its core 44 core markets. Both Wal-Mart Supercenters and Kroger supermarkets are "data driven" with huge economies of scale. Kroger, like Wal-Mart, is equally pursuing a "cost cutting" strategy towards increasing efficiency in its operations (Duff, 2008).

Hence, our study's overall finding that Plattsburgh city local supermarkets, with the possible exception in the cases of Beverages, Meat products and Dairy products (three out of eight food categories) do not "follow" the Supercenter's EDLP pricing strategy isn't surprising. Yes, overall, although Supercenters in the city of Plattsburgh do have the lowest prices in six (6) of the eight (8) food categories (although less so in the case of both meats and dairy products) and do attract "price sensitive" shoppers, local supermarket chains would seem to have adapted well to the Supercenters' bulldozing presence. They seem to have each adopted a differentiation strategy that clearly and distinctively positions each supermarket chain as an interesting and lively alternative to shopping at Supercenters, which although having the lowest prices, equally have limited product assortment, little in-store "personalized" services (such as a full serviced meat as well as sushi bar at Price Chopper, or home delivery such as at both a number of Hannaford and Price Chopper stores), and bland (no-frills) store atmospherics. Thus, our Plattsburgh city food price study seems to indicate that there is enough room in the food retailing world for the coexistence of both Supercenters and "highly adaptive" supermarkets chains.

TABLE 1
PREVIOUS STUDIES ON PRICE DIFFERENCES BETWEEN SUPERCENTERS AND SUPERMARKETS

Source and year	Reported Grocery Price Differences
1. Solomon, Smith, Barney (2002)	5% to 25% Lower
2. UBS Warburg (2002)	20.8% to 31.9% Lower
3. UBS Warburg (2003)	17% to 39% Lower
4. Time Magazine (2003)	Wal-Mart Supercenters can under priceSupermarkets by 15%
5. Wall Street Journal (2003)	8% to 27%
6. Hausman and Leibtag (2004)	A. 15% to 25% Lower (at Wal-Mart Superstores) B. SMCs have food prices 5% to 48% Lower (for 20 Food Categories). NOTE: **SMCs** Include Supercenters (such as Wal-Mart, Target, and Kmart), Mass Merchandisers (such as Wal-Mart, Target, Kmart) and Club Warehouses (such as Sam's Club, Costco, and BJ's) C. SMCs have food prices 27% Lower (on Average for All Foods)
7. Volpe and Lavoie (2007)	A. 6.83% to 7.23% Lower for National Brands 3.28% to 8.01% Lower for Private Labels (54 Food Items in 5 Categories – only nonpromotional prices were used) B. When taking into account 1. Market Concentration 2. Demographic Variables; and 3. Store Characteristics: 14% to 23% Lower for National Brands 7% to 18% Lower for Private Labels
8. Basker and Noel (2009)	10% Lower (Supercenters price advantage on 24 Food items)

FIGURE 1 – MARKET BASKET DATA COLLECTION SHEET										
Stores			Hannaford's		Price Chopper		Big M Yando's		Wal-Mart	
Item	Unit	No	1st Week	2nd Week	1st Week	2nd Week	1st Week	2nd Week	1st Week	2nd Week
PRODUCE										
Apples, Red Delicious	1 Lb.	1								
Bananas (Chiquita or Dole)	1 Lb.	2								
Carrots, prepackaged	1 Lb.	3								
Lettuce, Iceberg	1 Head	4								
Onions, yellow	1 Lb.	5								
Potatoes, white	1 Lb.	6								
FROZEN FOODS										
Haddock fillet, Unbreaded	1 Lb.	7								
Figure 1. Continued										
Green Beans, French cut (SB)	16 oz.	8								
Ice Cream, Vanilla (SB)	½ gal	9								
Orange Juice concentrate (SB)	12 oz.	10								
Spinach, chopped (SB)	9 oz.	11								
CANNED GOODS										
Fruit cocktail Del Monte	15.5oz	12								
Peas, green, small Del Monte	15-17 oz.	13								
Tomatoes, small pieces (SB)	14.5 oz.	14								
Tuna fish, chunk, oil, (Starkist)	5 oz.	15								
Veg. soup in beef stock (SB)	10.5 oz.	16								
BEVERAGES										
Beer, 12 oz cans, Budweiser	6 pack	17								
Coffee, ground (SB)	11.3-13oz	18								
Cola, 12 oz (SB)	6 pack	19								
Tea bags (SB)	100 ct.	20								
MEATS										
Hamburger, ground Ck (80%)	1 lb.	21								
Roast, bottom round	1 lb.	22								
Steak,chuck,centercut or fillet	1 lb.	23								
Steak, sirloin, bone less	1 lb.	24								
Pork chops, center cut, boneless	1 lb.	25								
Bacon, sliced (Oscar Mayer)	1 lb.	26								
Whole Frying Chicken	1 lb.	27								
BREADS, CEREALS, GRAINS										
Sugar (SB)	5 Lb.	28								
Kellogs Corn Flakes	18 OZ.	29								
Flour, white, all purpose (SB)	5 Lb.	30								
Rice,(River Rice)	1 Lb.	31								
Bread, white (SB)	1 Lb.	32								
Spaghetti (SB)	1 Lb.	33								
MISCELLANEOUS										
Salad, cooking oil, veg. (SB)	24 OZ.	34								
Cookies, Oreos	20 OZ.	35								
DAIRY										
Butter salted Quarters, (SB)	1 Lb.	36								
Margarine Stick (Blue Bonnet)	1 Lb.	37								
Cheese, American sliced (SB) Not Processed Food	12 oz.	38								
Eggs, Grade A Large	1 doz.	39								
Milk, Whole (SB)	½ gal	40								
Milk, Skim (SB)	1 qt.	41								

Note: In 2012, there were 3,029 Wal-Mart Supercenters in the U.S. There were 177 Hannaford supermarkets, 119 Price Chopper Supermarkets, and 22 Big M Yandos supermarkets

TABLE 2
OUR STUDY'S RESULTING PRICE DIFFERENCES BETWEEN THREE (3) SUPERMARKETS AND A WAL-MART SUPERCENTER

Food Categories (8)	(1) Our Study's (2013) Private Labels (PL) and National Brands (NB) in %	(2) Mean Prices at all Three (3) Supermarkets	(3) Mean Prices at Wal-Mart Supercenter	(4) Mean Price Differences In Dollars ($) (Supercenter Prices Lower by)	(5) Mean Price Differences In % (Supercenter Prices Lower by)	(6) Significance Tests (2-tailed) and Correlation results (in parenthesis)
1. Produce	0.16 = PL **0.84 = NB**	12.68	10.10	2.58	25.5% (1)	.0001 (0.30137)
2. Frozen Foods	**0.80 = PL** 0.20 = NB	13.82	11.45	2.37	20.7% (4)	.0001 (-0.36393)
3. Canned Goods (Grocery)	0.40 = PL **0.60 = NB**	6.34	5.25	1.09	20.8% (3)	.0001 (0.276382)
4. Beverages	**0.75 = PL** 0.25 = NB	14.43	11.68	2.75	23.5% (2)	.0001 (-0.29343)
5. Meats	**0.85 =PL** 0.15 =NB	29.16	28.23	0.93	3.3% (7)	.002 (0.128072)
6. Bread, Cereals, Grains.	**0.66 = PL** 0.34 = NB	12.99	11.05	1.94	17.6% (6)	.0001 (0.168752)
7. Miscel-laneous	0.50 = PL 0.50 = NB	6.29	5.27	1.02	19.4% (5)	.0001 (0.354497)
8. Dairy	**0.83 = PL** 0.17 = NB	11.17	10.81	0.36	3.3% (8)	.024 (0.412107)

Note: The Overall Market Basket (all 8 food categories) correlation between Supermarkets and the Supercenter prices was -0.243

TABLE 3
PRICE DIFFERENTIALS BETWEEN NATIONAL BRANDS AND PRIVATE LABELS

Food Categories (8)	(1) Our Study's (2013) **Private Labels 63% of 41 items** (PL) and **National Brands 37% of 41 items** (NB) in %	(2) Our Study's (2013) Mean Price Differences In % (Supercenter Prices Lower by)	(3) Volpe & Lavoie (2007) Findings for **Private Labels (45% of 54 items)** (Supercenter Prices Lower by)	(4) Volpe & Lavoie (2007) Findings for **National Brands (65% of 54 items)** (Supercenter Prices Lower by)	(5) Hausman & Leibtag (2004) Findings **(SMCs** Prices Lower for)
1. Produce	0.16 = PL **0.84 = NB**	**25.5%** (1)	9%	**16.82%**	. Lettuce . Tomatoes . Potatoes
2. Frozen Foods	**0.80 = PL** 0.20 = NB	**20.7%** (4)	**13.82%**	21.55%	
3. Canned Goods (Grocery)	0.40 = PL **0.60 = NB**	**20.8%** (3)	16.62%	**14.19%**	
4. Beverages	**0.75 = PL** 0.25 = NB	23.5% (2)	No Results Reported	No Results Reported	.Bottled Water . Soda
5. Meats	**0.85 =PL** 0.15 =NB	**3.3%** (7)	**11.55%**	22.93%	
6. Bread, Cereals, Grains	**0.66 = PL** 0.34 = NB	17.6% (6)	No Results Reported	No Results Reported	
7. Miscellaneous	0.50 = PL 0.50 = NB	19.4% (5)	No Results Reported	No Results Reported	
8. Dairy	**0.83 = PL** 0.17 = NB	**3.3%** (8)	**13.36%**	22.04%	.Butter .Margarine .Ice Cream
Overall Price differences Results	(Supercenter vs. supermarket Prices Lower by) 3.3 to 25.5%		(Supercenter vs. supermarket Prices Lower by) Private Labels = 3.28 to 8.01% National Brands = 6.83% to 7.23&		SMCs Prices Lower by 15 to 25%
Number of Food Items Studied	41 Food Items (26 Private Labels 15 National Brands) In 8 Food Categories		54 Food Items (30 National Brands 24 Private Labels) In 6 Food Categories		20 Food Items (Food Categories not Specified)
Number of Price Observations	41 prices collected bi-weekly times 23 months (Sept. 2011 to July 2013) in 4 stores in 1 market **= 7,544 prices** Note: Mostly Promotional Prices were collected at Stores		54 prices Collected during 3 weeks in 18 stores in 3 New England States (Conn., Mass., and R.I.) (October 2004) **= 2,916 prices** Note: Only Non-promotional Prices were collected at Stores		12,000 Prices times 4 years (1998-2001) in 54 Metropolitan markets **= 48,000 prices** Note: Nielsen Panel Data
Distances between Supermarket and Supercenter	All within 5 Miles: Distance between Supercenter and supermarket: 1. Price Chopper = 0.6 miles; 2. Hannaford at 1 Mile; 3. Big M Yandos at 3.4 miles		All within 5 Miles		Not Specified

FIGURE 2A. PRODUCE PRICE DIFFERENCES BETWEEN EACH OF THE THREE (3) SUPERMARKETS AND WAL-MART SUPERCENTER

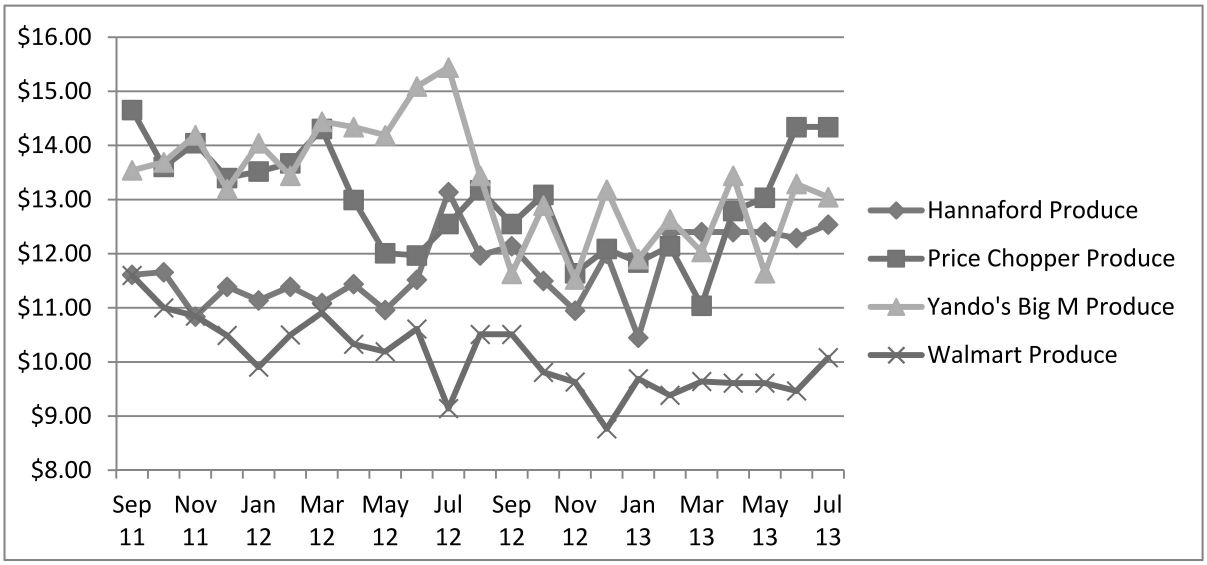


FIGURE 2B. PRODUCE PRICE DIFFERENCES BETWEEN WAL-MART SUPERCENTER AND AVERAGED SUPERMARKET PRICES

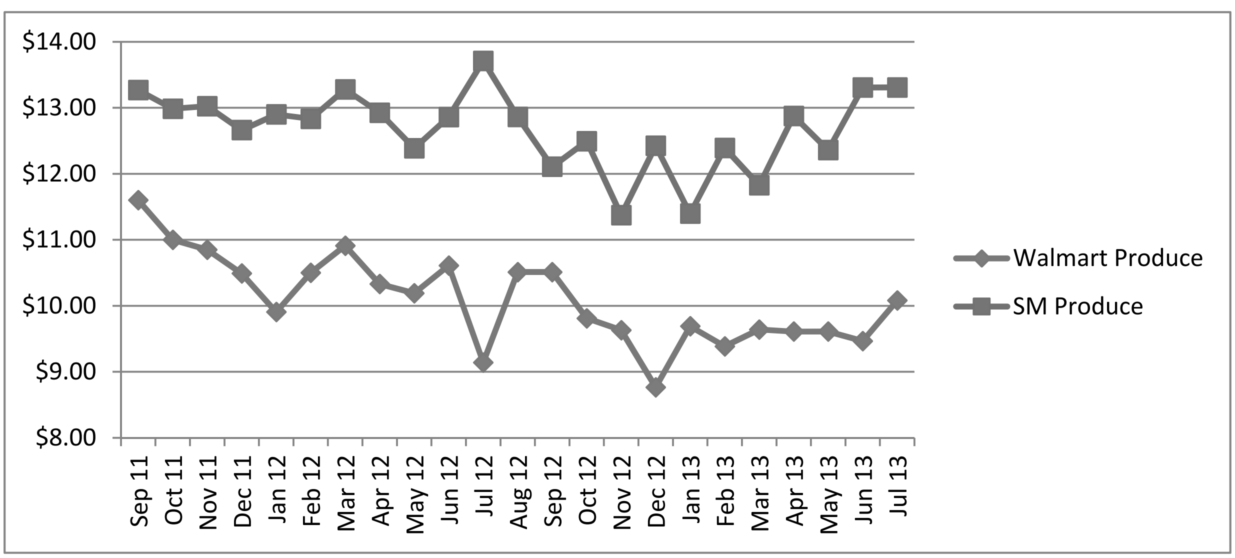


FIGURE 3A. FROZEN FOODS PRICE DIFFERENCES BETWEEN EACH OF THE THREE (3) SUPERMARKETS AND WAL-MART SUPERCENTER

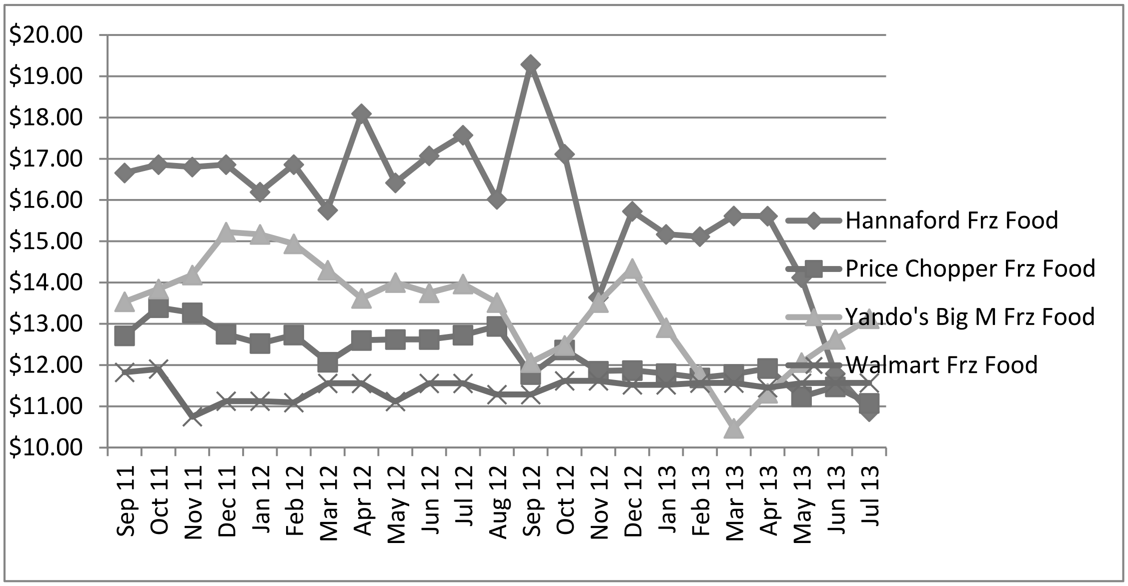


FIGURE 3B. FROZEN FOODS PRICE DIFFERENCES BETWEEN WAL-MART SUPERCENTER AND AVERAGED SUPERMARKET PRICES

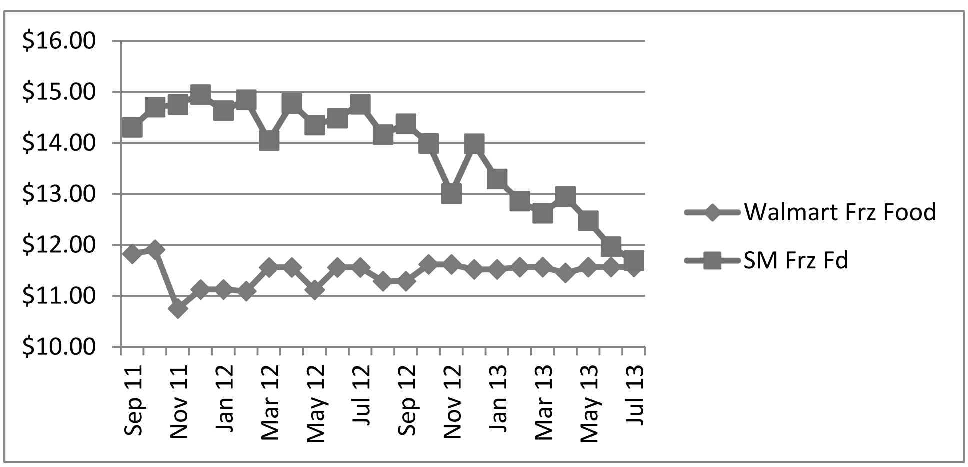


FIGURE 4A. CANNED GOODS PRICE DIFFERENCES BETWEEN EACH OF THE THREE (3) SUPERMARKETS AND WAL-MART SUPERCENTER

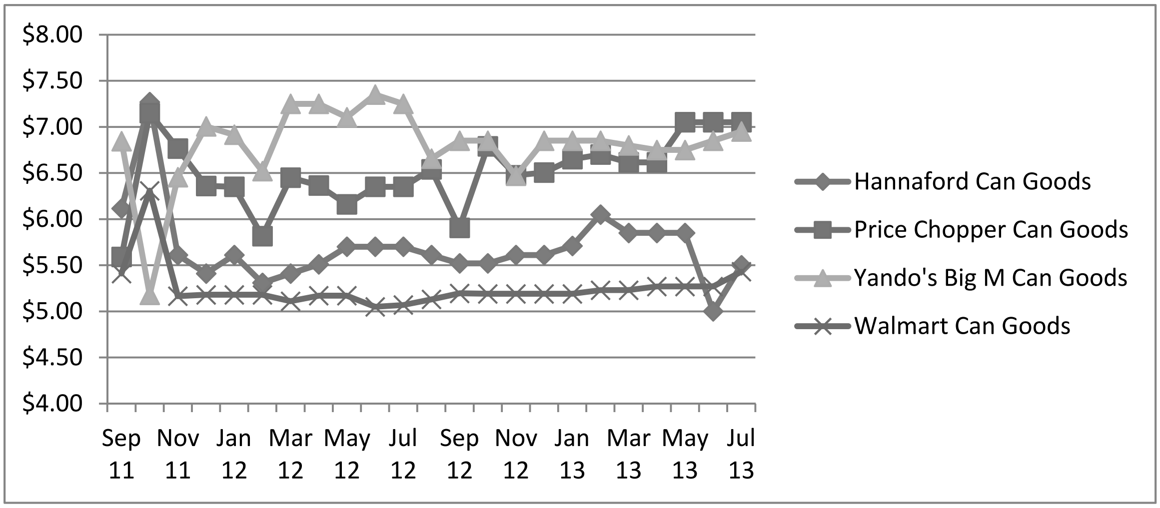


FIGURE 4B. CANNED GOODS PRICE DIFFERENCES BETWEEN WAL-MART SUPERCENTER AND AVERAGED SUPERMARKET PRICES

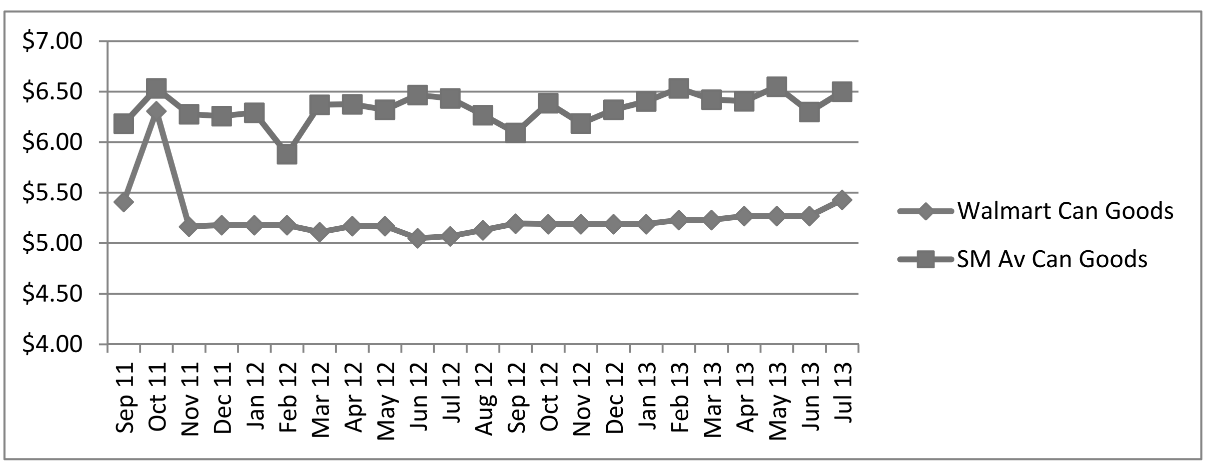


FIGURE 5A. BEVERAGES PRICE DIFFERENCES BETWEEN EACH OF THE THREE (3) SUPERMARKETS AND WAL-MART SUPERCENTER

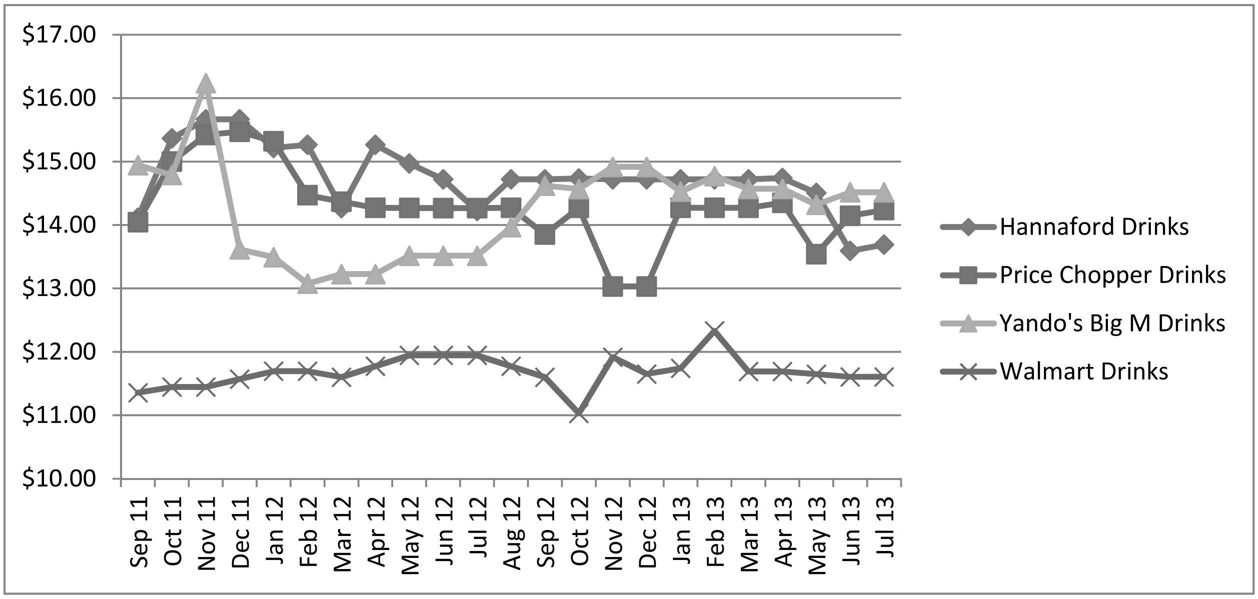


FIGURE 5B. BEVERAGES PRICE DIFFERENCES BETWEEN WAL-MART SUPERCENTER AND AVERAGED SUPERMARKET PRICES

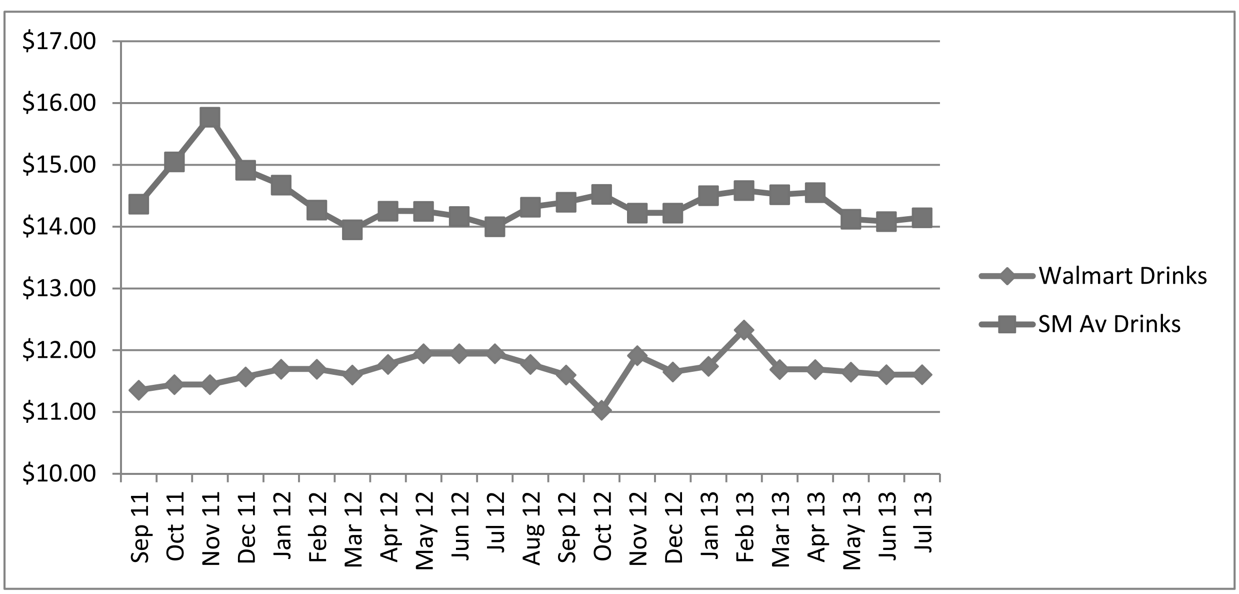


FIGURE 6A. MEAT PRICE DIFFERENCES BETWEEN EACH OF THE THREE (3) SUPERMARKETS AND WAL-MART SUPERCENTER

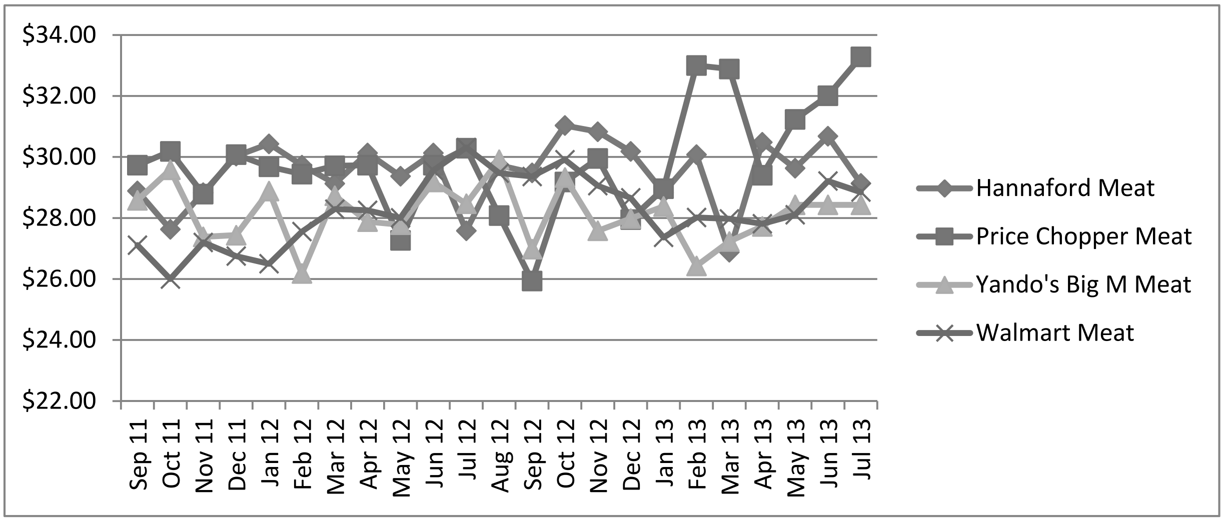


FIGURE 6B. MEAT PRICE DIFFERENCES BETWEEN WAL-MART SUPERCENTER AND AVERAGED SUPERMARKET PRICES

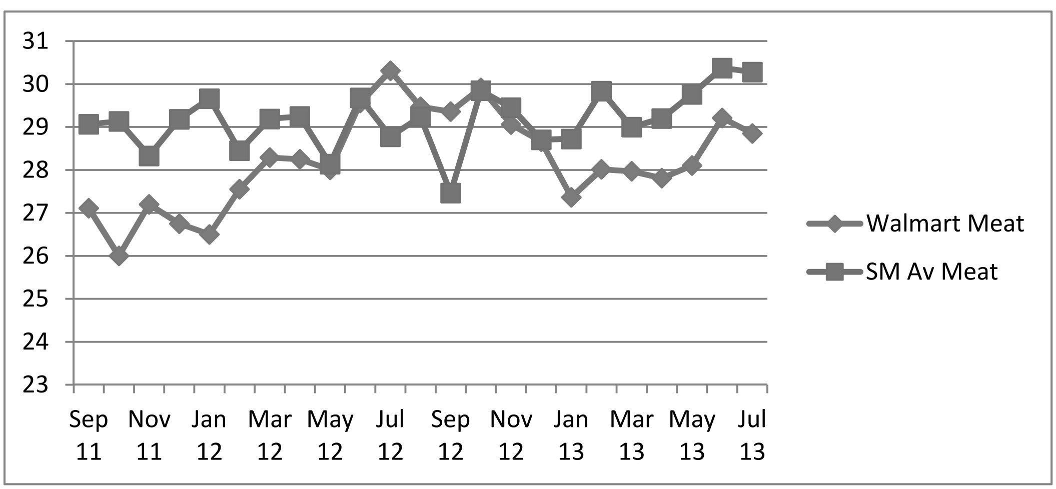


FIGURE 7A. BREADS, GRAINS, AND CEREALS PRICE DIFFERENCES BETWEEN EACH OF THE THREE (3) SUPERMARKETS AND WAL-MART SUPERCENTER

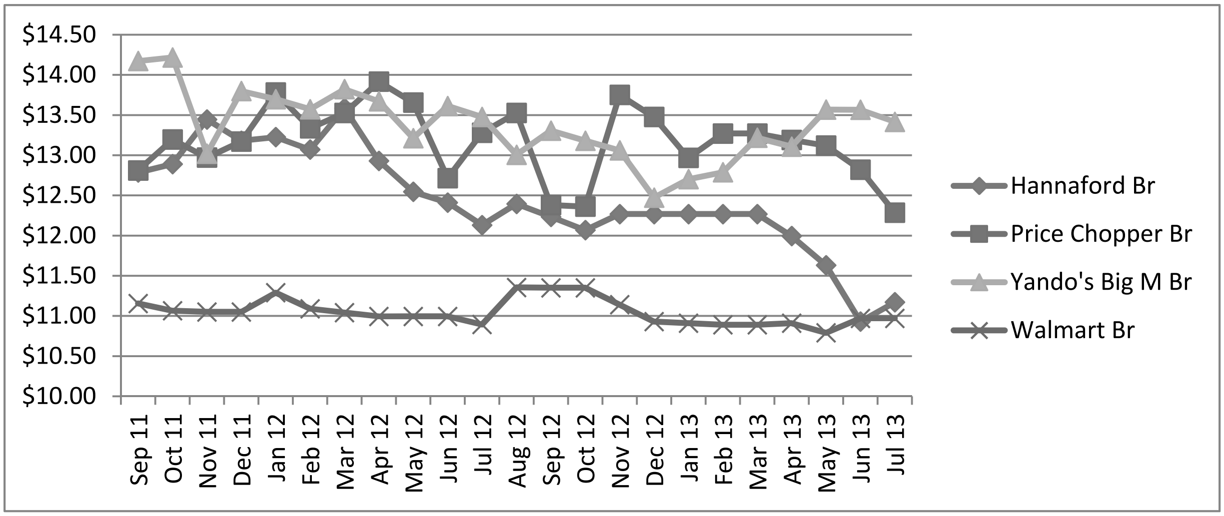


FIGURE 7B. BREADS, GRAINS, AND CEREALS PRICE DIFFERENCES BETWEEN WAL-MART SUPERCENTER AND AVERAGED SUPERMARKET PRICES

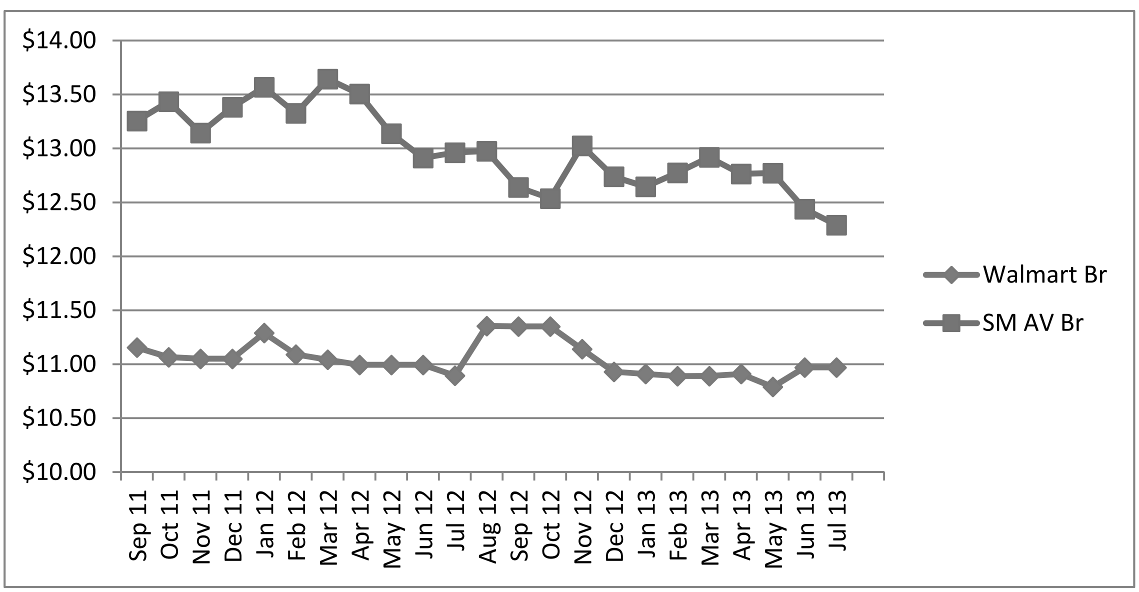


FIGURE 8A. MISCELLANEOUS PRODUCTS PRICE DIFFERENCES BETWEEN EACH OF THE THREE (3) SUPERMARKETS AND WAL-MART SUPERCENTER

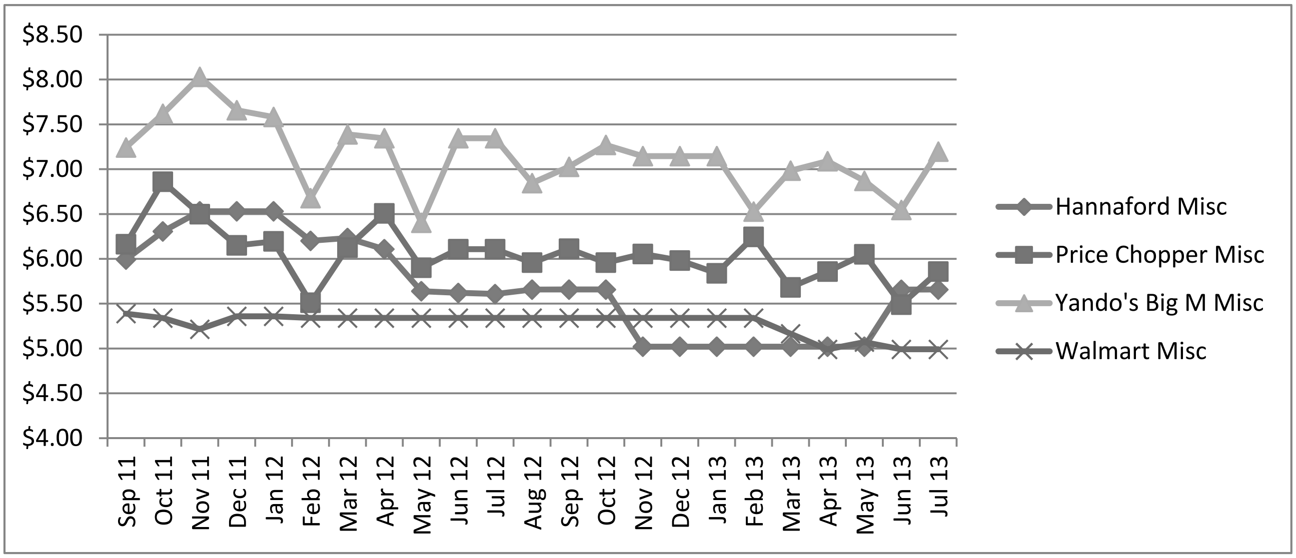


FIGURE 8B. MISCELLANEOUS PRODUCTS PRICE DIFFERENCES BETWEEN WAL-MART SUPERCENTER AND AVERAGED SUPERMARKET PRICES

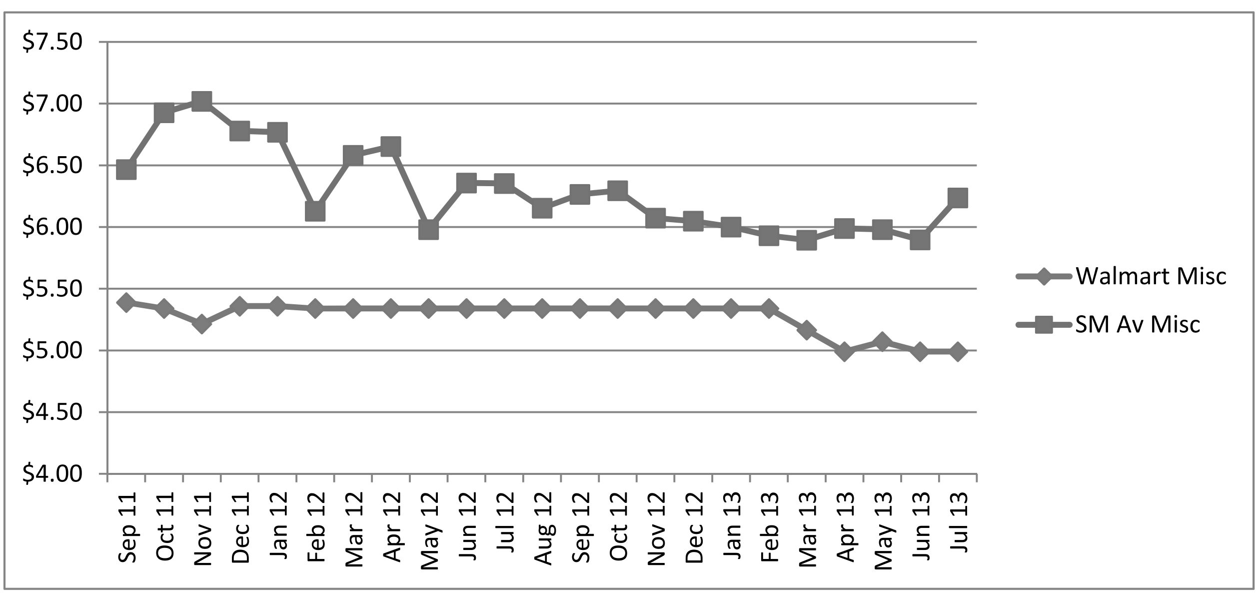


FIGURE 9A. DAIRY PRODUCTS PRICE DIFFERENCES BETWEEN EACH OF THE THREE (3) SUPERMARKETS AND WAL-MART SUPERCENTER

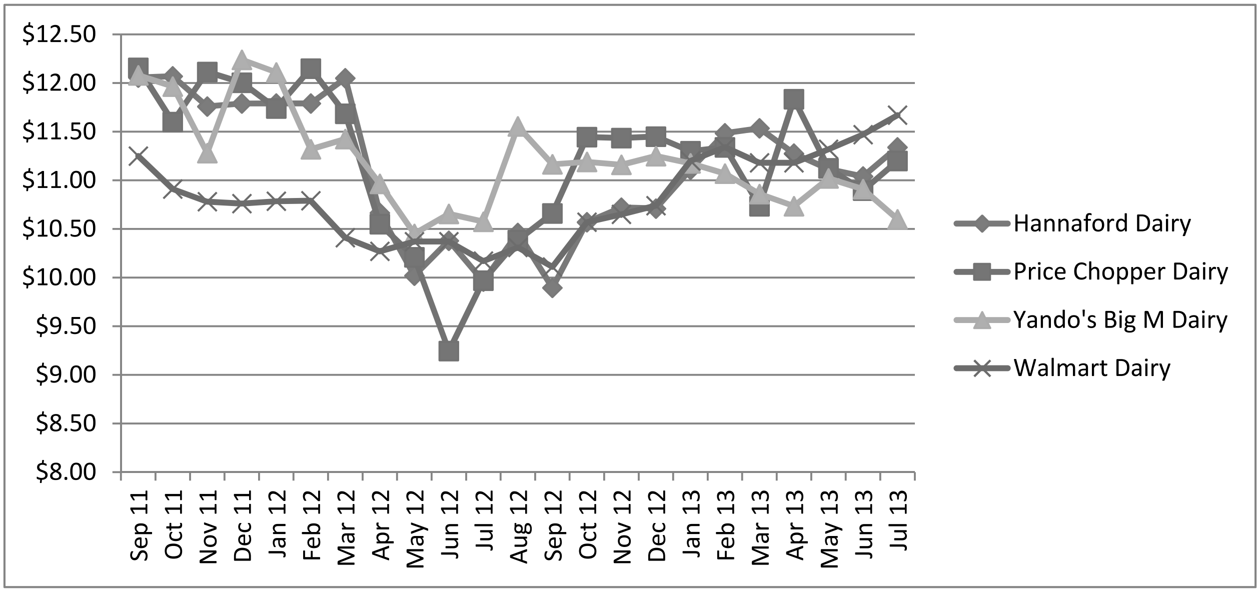
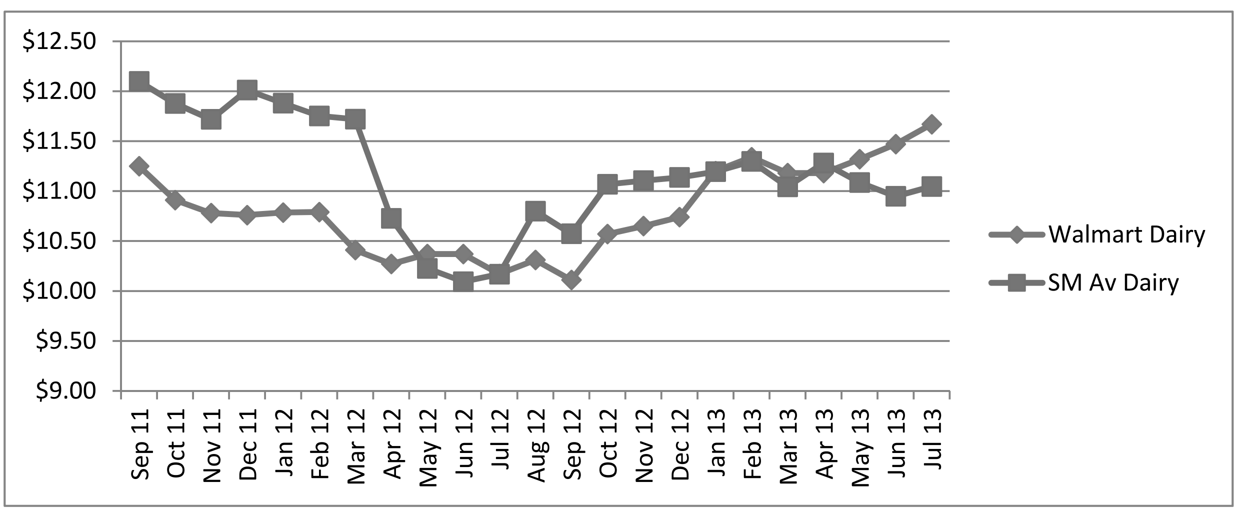


FIGURE 9B. DAIRY PRODUCTS PRICE DIFFERENCES BETWEEN WAL-MART SUPERCENTER AND AVERAGED SUPERMARKET PRICES



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MORE THAN JUST "LIKE": AN ENTREPRENEURIAL APPROACH TO CREATING A SOCIAL MEDIA ETHOS IN SMALL FIRMS

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Rachel Martin Harlow, The University of Texas of the Permian Basin

ABSTRACT

Since the explosion of social media in the mid-2000s, scholars and business practitioners have invested significant amounts of time and energy in examining how to take advantage of social media in business, especially in the area of social media marketing. Despite this flurry of activity, significant questions remain about how entrepreneurs can leverage their social media marketing strategies to enhance the internal cohesiveness of their small businesses. While practitioner literature about how entrepreneurs use social media is rapidly expanding, the scholarly literature has focused mostly on its use in marketing (Fischer & Reuber, 2011, p.16). This paper introduces a training outline that entrepreneurs can use or leverage to get employees to buy into and actively contribute to a marketing campaign—and in the process, to build loyalty and trust within the organization by recognizing and validating employees' social connections and influence.

SOCIAL MEDIA IN CURRENT BUSINESS LITERATURE

Marketing activities and practices in small and medium-size enterprises (SMEs) have been studied for many years. SME marketing practices that are analyzed using large firm models have been criticized as being short-term, informal, and non-strategic (Coviello, Brodie, & Munro, 2000; Zontanos & Anderson, 2004). However, these results have been challenged based on substantive differences in marketing between large firms and SMEs; for example, SMEs have fewer resources, including financial and human resources, and high closure rates. Smallbone, North, and Leigh (1993) propose that the ability of SMEs to adjust their markets and expand their customer bases are key factors of their survival and success. In response to the criticisms previously noted, SMEs benefit from the long-term, strategic use of relationship marketing in which there is genuine customer involvement rather than customer manipulation.

Further studies conclude that marketing activities provide the interface between an SME and its external environment. Such studies reveal that marketing is critical to entrepreneurial firms' success, yet the specific marketing activities they employ may be different than more traditional administratively-focused marketing. The school thought known as Entrepreneurial Marketing (EM) evolved from efforts to study the relationships between marketing and entrepreneurship (Hills, Barnaby, & Duffus, 1983). EM has gained credibility in the thirty years since its introduction; the construct has been defined, bound, and incorporated into academic curricula and textbooks (Morris & Paul, 1987; Carson, Cromie, McGowan, & Hill, 1995; Lodish, Morgan, & Kallianpur, 2001; Bjerke & Jultman, 2002; Morris, Schindehutte, & LaForge, 2002; Buskirk & Lavik, 2004). EM is an integrative construct in which a business, the role of marketing within that business, and the relationship of that firm with the marketplace create value for the firm when marketing leverages resources within the firm and through networks. This leverage is based upon opportunity-driven and opportunity-seeking activities grounded in creative, entrepreneurial thought (Hills, Hultman, & Miles, 2008). Ongoing EM research has focused on how to best operationalize this construct.

It is clear from such studies that marketing activities between SMEs and large firms differ. Innovation, system interactions between internal and external components, and relationship building are key elements in successful SME marketing; however, until recently, there was a gap between the identification of these critical elements and the ability of SMEs to implement them. This gap has been narrowed by the emergence and use of social media. Many practitioner social media initiatives have been examined and results reported. Baird and Parasnis (2011) surveyed both customers and business executives to understand the perceptions regarding the social media interactions between these two groups. Interestingly, significant gaps exist between what customers say they want from social media interactions with companies and what businesses report their customers care about. These findings suggest that SMEs should move away from using social media only to get closer to customers and toward the broader approach of social customer relationship management (social CRM). Under social CRM, organizations create emotional appeal to customers and motivate those customers to share their experiences with others. Specifically, organizations create greater value for customers by facilitating collaborative experiences and by engaging in dialogue with them through social media programs.

McDonald and Bradley (2012) have expanded the social CRM view, realizing the potential of social media to extend organizational capabilities. The authors propose that social media can be used for more than creating social communities for marketing purposes--for example, social media are highly efficient tools for mass internal collaboration, for problem solving, for sharing of best practices, and for other strategic organizational uses. But because the fears of senior executives often constrain such innovative and potentially fruitful uses of social media, the challenge is to develop the ability of these executives to see the potential value of this broader view. The authors propose that executives adjust their mental attitudes towards social media away from fear, folly, and flippancy, instead formulating, forging, and fusing social media strategy into clear collaborative purposes—that is, solid reasons that drive business value.

Social media marketing is certainly important for entrepreneurs, in part because it can give a small business with a modest marketing budget an active community of potential customers, making the business more competitive in a local, regional, or global market. But emerging scholarship has found that using social media can do more than marketing; Fischer and

Reuber argue that "how the use of a social media channel may affect entrepreneurs' effectual cognitions" (p.3), offering "compelling evidence that such channels [as Twitter] can help entrepreneurs create and capitalize on opportunities" (p. 16).

HOW TO BUILD AN ORGANIZATIONAL *ETHOS*

If the use of social media can spark entrepreneurs' abilities to use what they have most effectively and to create new opportunities from existing problems, it seems logical to argue that employees of small businesses might collectively achieve similar success if giving similar opportunities to promote the business. Consumers and workers of Generation X and later expect to participate in a marketplace of ideas, products, and services; more importantly, they expect to be stakeholders in the businesses they patronize. Social media permit consumers and employees to hold businesses accountable not just for the quality of their products, but also for their corporate *ethos*, or character, and their participation in the communities they affect. Entrepreneurs with foresight can and should involve employees as they develop social media plans and strategies that cultivate a collaborative *ethos* that drives product innovation and production, that creates transparency and trust with customers, and that transforms employees into evangelists.

But what is this *ethos*, and how does it happen? In the discipline of organizational communication, Campbell posits that the term refers to "the disposition, character, or attitude" that defines and distinguishes "a specific people, culture, or group" from others (1996, p. 120). An organizational *ethos*, then, refers to the disposition or attitude peculiar to the people of a specific organization that distinguishes them as a social unit with a collective sense of identity, the whole of which is more than the sum of its parts (McGee, 1975, p. 247; Anderson, 1991, p. 4). Membership within the organization has both definite boundaries, such as the pool of employees who work for and in the organization, and it also has conceptual boundaries, which can be much more fluid and can encompass other stakeholders, including current and potential customers. The *ethos,* then, of a small business include an organizational culture that is grounded in the entrepreneur but develops over time in response to external and internal events and relationships; its *ethos* also includes the community of followers and evangelists who recognize shared interests and substance, and thus claim, support, and defend the values and procedures associated with that organizational culture (Burke, 1950, p. 23-25).

The process through which this organizational *ethos* develops is complex and iterative, and the way the organization structure and uses technology significantly affects this development. Zhang and Poole (2007) argue that Adaptive Structuration Theory (AST), a theory developed by scholars of organizational communication, "explains the difference between the structure potentials of communication technology and how each medium is actually appropriated by its users in specific context of use" (p.2). AST demonstrates that the channels people use communicate within an organization or a community (a *bona fide* group) affects the messages they share, how they do their work, and the very identity of the group itself. Moreover, Zhang and Poole explain, "The theory clearly underscores the active role that users play in adopting communication technology…[and] suggests other sources of structures that may influence patterns of technology appropriation, including task characteristics, organizational context, and group internal structures" (p.2). Thus, the internal structures and participant activities continually change and reinforce one another. The findings of Zhang and Poole, among dozens of other explorations of AST, substantiate the idea that the "structuration of technology occurs through social interaction among [the technology's] users. In other words, the users negotiated group specific ways of technology appropriation to meet each group's unique set of purposes and needs (p. 22).

Social media consultants often argue that companies must develop social media policies that control how employees access their social networks (Jones, 2011), but rarely does anyone specifically discuss how to formulate policies in which employees are active social media participants who represent the organization. This omission is explained by Adaptive Structuration Theory: the organization that relies on social media to do its work effectively also relies on the effectiveness of its social media messages. Such a group will develop its own quirky habits and media practices, so a top-down social media policy that keeps control within the hands of one or two people more often stifles both the message and the group synergy itself.

The principles of effective social media policy are emerging within industry faster than academics can study them, but practitioners seem to offer advice that conforms to the principles of AST. As so many social media experts have to say repeatedly, effective social media strategy requires companies to give up degrees of control over what people know and say about their company or brands. Small business owners must offset their efforts to shape their own message and by participating in and cultivating an active community whose conceptual boundaries overlap or coincide with the organizational *ethos* of the business. To do so, they must make conditions favorable for symbolic convergence.

From his studies of small group behavior and decision-making, communication scholar Ernest Bormann theorized that a form of synergy characterizes highly engaged groups in which the symbolic expressions and understandings of group members converge around discourse that articulates a common narrative of social reality. Bormann noted that this *symbolic convergence* can occur in public discourse as well as in the small group context, and he discovered that communicators who know their audiences can identify concepts that will resonate with those audiences. More importantly, those communicators can respond to audience feedback and extend concepts that do resonate, creating synergy in that interaction. Within an organization, members both create and encounter various narrative versions of social reality. Occasionally, a common narrative resonates strongly with many individuals in the organization, who "get excited about it and restate and elaborate it," creating a *fantasy theme* (Moran 36; see van Eemeren, et al.) that may be communicated "by means of various media to people outside the group in order to gain converts to the group's position" (Moran 37). The group integrates related fantasy themes into a *rhetorical vision*, using metaphors and memes that define a world view so "clearly formulated and well understood by both speaker and audience" that they define the group itself (Bormann 7). Symbolic convergence cannot be forced or artificially created; it is emergent and embedded in shared experience—both in the sharing of individual experiences and in the experience of sharing any strong emotional or logical motivation.

BRASS TACKS: PRACTICAL TACTICS FOR CULTIVATING SYMBOLIC CONVERGENCE

While large businesses have the resources to acculturate new hires through team retreats, off-site training, and other such tools, small business owners often do not. As in many other areas of their business, entrepreneurs must adopt marketing strategies that are "cost effective and efficient" (Gilmore 32) and that identify and exploit "opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation" (Morris 5). Social media, argue scholars and practitioners alike, can be both efficient and cost effective because they leverage existing resources—that is, employees, their intimate knowledge of the company and its products, and their social networks—to create value for existing and potential customers. Social media reflect the "fundamental characteristics" of small- to medium-sized enterprises: loose structure, informal in the development of relationships, "spontaneous or reactive to events and opportunities" and, significantly, "interactive and interchangeable, albeit in an individualistic and highly focused way" (Gilmore p. 33)

Muñiz and Schau (2011) offer a number of tactics that organizations can use to "foster consumer value creation, specifically collaborative CGC [consumer-generated content], in brand communities and other consumption oriented collectives" (p. 211). If the entrepreneur considers his or her employees the core of the organization's brand community, some of these tactics can also be useful in cultivating symbolic convergence and thus building the organizational *ethos*.

To make conditions favorable for symbolic convergence through social media, entrepreneurs should:

1. Provide their employees **access** to other people in existing or emerging that are directly related to the organization's products, services, core values, and target markets.
2. Acknowledge the ways **expertise and interest** are shared and distributed throughout the organization.
3. Collectively develop a **voice** for the organization that reflects an identifiable organizational culture.
4. Reassure the participants of their **security**, especially in the forms of transparency and trust
5. Balance social media **roles** and value the people who occupy them.
6. Collectively develop a schedule and standards for **content** that acknowledges and values those who provide it.

7. **Train** participants to recognize when symbolic convergence is happening and what to do about it.

PROVIDE ACCESS

While establishing a policy for social media use is important (Wilson 2009), effective social media marketing policies for small businesses should be more positive and more comprehensive than simply dicta about when to use company time and resources for individual social media participation. Muñiz and Schau suggest that organizations "provide parameters that encourage and enable collaboration" (p. 213). In other words, policies should clearly identify the organization's expectations for content and expression, and should do so in a positive, rather than a combative, way. For instance, instead of phrasing the policy in the form of time limits, establish how much time participants *should* engage in social networking and how much interaction with other employees is desirable. When employers combine clear expectations for what type of social networking employees can do and when with effective and transparent monitoring of these channels, they build a sense of trust and become more visible in the community of potential customers. In addition, when the combined social networking efforts of employees reach "more than 8 hours per week and … more than 10 employees," organizations are much more "likely to report successful [social media marketing] programs" (Filene 2011).

Just as important, small business owners should create a gathering place, whether physical (like a water cooler or face-to-face meeting time) or virtual (like a Facebook page or private company wiki) where employees themselves can be a community and can have the types of conversations with both coworkers and other community members that generate symbolic convergence. In short, employers have to create evangelizing opportunities or reasons for members of the community to share with non-members (Evans).

ACKNOWLEDGE EXPERTISE AND INTEREST

Muniz and Schau also suggest that organizations expect and take advantage of the fact that factions or areas of expertise or interest often develop within a community; something similar may be said of employees who are active participants in a small company's social media campaign. If each participating employee has his or her particular expertise within the organization, encourage him or her to be vocal about that part. This tactic can be very simple to implement. Employers can also encourage their employees to "retweet" their colleagues' Twitter posts, link to one another's blogs, comment on one another's social networking posts, and so forth, but only when the content is especially insightful, useful, or interesting. For example, Lilian works in a small printing and office supply business as a graphic designer. Another employee, Eusebio, runs the offset printing machines, while Judy manages the office supplies. In an effective social media strategy, Eusebio might post to a question in an online forum that "we have someone in our business who handles design…I'm going to ask her to join us and weigh in on this thread." Such a reference or recognition can be even more influential when it comes from the small business owner, for then it is a public acknowledgement of the employee's expertise.

It can be risky to lay the responsibility of social marketing on participants who may or may not be highly engaged in the mission of the company or with participants who are not intrinsically motivated to participate in a social media marketing campaign. Poorly planned and poorly launched social media campaigns rely on extrinsic motivation to encourage participation; while a modest degree of positive extrinsic motivation (participation incentives, for example) may help move employees into active social networking or may maintain interest, it will not make unenthusiastic employees into willing participants, but may create resentment that undermines the organizational *ethos*. Rather than forcing such a campaign on employees, entrepreneurs should include strategies for cultivating symbolic convergence and building community from the inside. When well-planned and launched, entrusting the company's social marketing to the stakeholders who are most dependent upon the organization's success empowers those people, offering them the opportunity to "suppor[t] decisions through confirmation and corroboration of a decision taken," to gather and assess information that can benefit the organization in myriad ways, and to keep them engaged with and aware of "the overall market circumstance and/or explicitly in providing help and guidance with specific problems" (Gilmore 33). When employers create this environment of trust, employees may feel intrinsically motivated to use their networking skills to advance the organization.

DEVELOP A VOICE

Organizations that have a clear collective sense of their values and mission tend to have a strong culture in which "there is less emphasis on controlling the specifics of the service interaction and more emphasis on the cultural context within interpersonal interactions"; moreover, when the leaders of an organization develop "techniques for programming the way people within the organisation think, feel and react towards customers and the brand" (Mosley, 2007, p. 128), the organization develops an identifiable voice. In social media marketing, organizations must promote that voice, but must also allow individual participants to express what they have to say in their own voices. Mosley argues that scripted interactions do little to endear customers or employees to the organization; however, when employees have a stake in the collective vision and mission, they often adopt language patterns specific to the organization.

Entrepreneurs should take the time to consider the language they want their employees to reflect—stylistic elements like tone, word choice, and sentence structure do make a difference in how outsiders perceive the individual writers and the organization itself (Beason, 2001). To this end, it can be helpful to develop, *with the social media campaign participants*, a style guide for the organization's social networking. And, because timeliness and flexibility are important, it can be helpful to create the style guide as a wiki (an interactive web site that all members can change and to which all members may contribute). Lastly, the employers must stress the importance of transparency and online etiquette, as doing so will reassure employees as well as community members (Brogan, 2011).

REASSURE PARTICIPANTS OF THEIR SECURITY

Small businesses in which employees are active participants in a social media campaign face serious conceptual obstacles, particularly with respect to their own security within the organization. The scholarship on this question is limited to date, but research has been done on the importance of trust in social networks generally. Grabner-Kräuter (2009) suggests that in the highly exposed and risky world of "web 2.0," organizations that create trust and a sense of security can benefit more than others. Returning to structuration theory, the organization that uses social media has to create trust in the organization as an entity, as well as trust in the technology it uses (Grabner-Kräuter, p. 514). Technological security is, indeed, extremely important, and small businesses should develop a plan for dealing with it. But even more important for employees are the "explicit and tacit understandings regarding transaction norms, interactional routines, and exchange practices in OSNs. Such … understandings, captured in both formal and informal rules, provide an important basis for inferring that other participants in the social network are likely to behave in a trustworthy manner" (Grabner-Kräuter, p. 517). In short, employees must know what their employer expects of them as they interact with the community beyond the organization.

Urban legends—many of them factual—abound about employees who were fired for criticizing their employers, for wearing their company logos in unfortunate photographs, for using competitors' products, and naturally, many employees are skeptical about assuming the risks of being highly visible. To adapt to that, employers should be transparent and forthcoming about their definitions of acceptable and unacceptable online behavior, particularly in what might fit under the category of free speech. Moreover, within the social media policies, organizations should clearly describe the "calculative processes" by which online behaviors are monitored and evaluated; the "institutional beliefs" that employees should demonstrate; and the degree of "knowledge about and experience with the OSN [online social network] and its members, and processes of identification" that participants and the owner are expected to possess (Grabner-Kräuter, p. 518).

BALANCE SOCIAL MEDIA ROLES

Not everyone in an online community uses information the same way, and not everyone seeks community for the same reasons; similarly, as noted above, not everyone in a small business will be comfortable with participating in a social media campaign. To create space for symbolic convergence, however, employers should encourage participants to capitalize on their own strengths and interests, thereby capturing most or all of the "functional building blocks" of social media: "identity, conversations, sharing, presence, relationships, reputation, and groups" (Kietzmann, et al., 2011, p. 243). Each building block addresses a common audience need; effective social media campaigns match the characteristics of their target communities to media channels (such as Twitter, blogs, social networking sites, and so on) that provide the functionality to meet those needs. While Kietzmann, et al. explain that analyzing the functional building blocks allows organizations to "monitor and understand how social media activities vary in terms of their function and impact, so as to develop a congruent social media strategy based on the appropriate balance of building blocks for their community" (p. 250), it also allows small businesses to assign social media responsibilities to employees who are best matched in skill and interest to specific media channels and audience segments. In doing so, employers "act as a curator of social media interactions and content…identify[ing] employees who have the ability to listen and who care about the chatter online, and those who can create content that is emotionally appropriate for the community" (p. 249). Encouraging those who care and can listen to participate increases the likelihood that the organization can spark symbolic convergence in a conversation or series of interactions.

DEVELOP A CONTENT SCHEDULE

It may seem inconvenient or obsessive, but to effectively integrate social media participation into the work stream, small businesses should collectively develop a general schedule for when to check content, when to post content, and what content to post when—and they should periodically re-evaluate that schedule to ensure its appropriateness (Friedman, 2012; Brenner, 2011; Leavy, 2011). Of course, such a schedule must be flexible and adaptable, but when all participants know in advance what they are expected to produce, they can budget their workflow to include social networking. Participants can then plan and create valuable content (Ott, 2010) and can take advantage of the message's *half-life*, or "longevity of the information in terms of availability/appearance on the screen and interest in a topic" and its *depth of information*, or "the richness of the content, and the number and diversity of perspectives" that the community can support (Weinberg & Pehlivan, 2011, p. 279).

Beyond facilitating participation, the content schedule creates opportunities for symbolic convergence because it encourages participants to engage in conversations regularly, thus ensuring that there is something to talk about when they encounter potential customers in the social networking communities in which they participate. Moreover, the content schedule allows participants to cross-pollinate one another's messages. In a small business in which employees participate in the business' social networking, it makes little sense to have everyone use Twitter all the time; instead, effective social networking strategy suggests that participants should spend most of their networking time in places to which they would naturally gravitate, providing a broader presence for the organization itself.

A TO-DO LIST FOR EMPLOYEE-DRIVEN SOCIAL MEDIA STRATEGY

Finally, entrepreneurs cannot simply assume that their employees know everything about social media; as previously noted, even active users have preferences and thus varying levels of skill. To encourage symbolic convergence and develop a positive organizational ethos, employee participants need training. Tullar and Kaiser (2000) tested the viability of training for virtual groups, finding that such training significantly affects both the process of virtual group communication and its products. Fortunately, the training does not have to be expensive or excessively time consuming, and can itself contribute to symbolic convergence. For example, offering incentives to employees who will train their colleagues or develop online resources for the organization's wiki can increase both morale and skills. Offering face-to-face lunchtime workshops in which the group collaboratively evaluates one another's content, conversations, and voice can (when handled tactfully) benefit the organization's social efforts as well as its other communication practices. Each tactic can thus provide employees access to an internal social network, which can in turn offer them a sense of collective purpose.

CONDITION	HOW TO CREATE IT
Access	Establish how much time participants should devote to social networking Establish how much collaboration is desirable Create physical or virtual gathering places for employees
Acknowledgement of expertise and interest	Provide positive feedback for employees' effective participation Do not force uninterested employees to participate in a social networking campaign
Create a voice	Create a style guide with participant input; use a wiki to encourage collaboration and updating
Reassure participants of their security	Include information security policies and techniques in a technology plan. Identify how online behaviors are monitored and evaluated Include in the style guide the organization's mission, vision, and values Explain how involved employees should be in the organization's social networks Identify the owner's role and involvement in the campaign
Balance social media roles	Identify the functional building blocks of social media that meet target audiences' needs Identify the functional building blocks of social media that meet participants' skills and interests Match employees to social media channels that are appropriate for them
Develop a content schedule	Establish cycles in which participants check content, comment on conversations, and post content Establish when to post what type of content and how far in advance to prepare it Re-evaluate the schedule periodically to ensure it takes advantage of an audience-appropriate half-life and depth of information.
Train participants	Identify individual strengths and offer opportunities to share knowledge Record training on the organization's wiki and offer incentives to contributors

CONCLUSIONS

Internal cohesiveness is key to the success of small businesses, and a well-planned and effective social media campaign that includes employee involvement can contribute significantly to that cohesiveness. The training tool in this paper offers concrete ideas that entrepreneurs can use or leverage to create symbolic convergence among employees. It is a strategy that may result in nimble, responsive social marketing while recognizing and validating employees' social connections and influence.

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