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CONTENTS

| | |
|--|----|
| LETTER FROM THE EDITORS | v |
| A STUDY ON CUSTOMER SATISFACTION, SERVICE QUALITY AND COMPANY IMAGE: AN EMPIRICAL ANALYSIS | 1 |
| Hishamuddin Ismail, Multimedia University, Malaysia Nor Asiah Abdullah, Multimedia University, Malaysia | |
| ME, WE, OR THEE? A PERCEIVED CONTROL PERSPECTIVE ON CONSUMER DECISION AUTONOMY | 11 |
| Robert R. Tangsrud, Jr., University of North Dakota Malcolm C. Smith, University of Manitoba | |
| EMPIRICAL GENERALISATIONS IN MARKETING: AN IN-DEPTH ANALYSIS OF THE CONCEPT | 29 |
| Adee Athiyaman, University of Western Sydney, Australia | |
| THE NEW PARADIGM OF DIRECT MARKETING RESEARCH: NOT THE OLD OR THE NEW, BUT A MERGING OF THE TWO | 35 |
| Richard A. Hamilton, University of Missouri-Kansas City | |
| INCREASING RESPONSE RATE IN INDUSTRIAL MAIL SURVEYS: THE EFFECT OF RESPONDENT INVOLVEMENT IN SWEEPSTAKES INCENTIVE | 49 |
| Cue D. Kim, Drake Beam Morin Korea, Inc., The Republic of Korea Shirish Dant, The Gallup Organization C. Christopher Lee, Central Washington University Yun-Oh Whang, University of Central Florida | |

THE HEALTH-ORIENTED MARKET: A LIFESTYLE
MODEL, EMPIRICAL TEST, AND IMPLICATIONS
FOR MARKET SEGMENTATION STRATEGY 57
Kenneth D. Bahn, James Madison University
Kent L. Granzin, University of Utah
Newell D. Wright, James Madison University

MARKETING STRATEGY EFFECTIVENESS
IN NIGERIAN BANKS 91
Linus Osuagwu, Yaba College of Technology, Nigeria

EXPLAINING THE GAP BETWEEN COMPULSIVE AND
NON-COMPULSIVE BUYERS REGARDING THEIR
ACTUAL/IDEAL SELF-DISCREPANCIES:
HOW DIFFERENT, ACTUALLY, ARE THEIR
IDEAL IMAGES? 113
Susanne Friese, Copenhagen Business School, Denmark

LETTER FROM THE EDITORS

Welcome to the *Academy of Marketing Studies Journal*. The Academy of Marketing Studies is an affiliate of the Allied Academies, Inc., a non profit association of scholars whose purpose is to encourage and support the advancement and exchange of knowledge, understanding and teaching throughout the world. The *AMSJ* is a principal vehicle for achieving the objectives of the organization. The editorial mission of this journal is to publish empirical and theoretical manuscripts which advance the discipline, and applied, educational and pedagogic papers of practical value to practitioners and educators. We look forward to a long and successful career in publishing articles which will be of value to the many marketing scholars around the world.

The articles contained in this volume have been double blind refereed. The acceptance rate for manuscripts in this issue, 25%, conforms to our editorial policies.

As editors, we intend to foster a supportive, mentoring effort on the part of the referees which will result in encouraging and supporting writers. We welcome different viewpoints because in differences we find learning; in differences we develop understanding; in differences we gain knowledge and in differences we develop the discipline into a more comprehensive, less esoteric, and dynamic metier.

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MANUSCRIPTS

A STUDY ON CUSTOMER SATISFACTION, SERVICE QUALITY AND COMPANY IMAGE: AN EMPIRICAL ANALYSIS

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Nor Asiah Abdullah, Multimedia University, Malaysia

ABSTRACT

Corporate image is believed to create a halo effect on customers' satisfaction judgement. When customers are satisfied with the service rendered, their attitude toward the company is improved. This attitude will then affect the consumer's satisfaction with the company. This study, measures four important factors in telecommunication industry that are related to company's image i.e. sales executive (CM1), advertising and promotional programs (CM2), outlet services (CM3), and operators' attitude (CM4). Using structured questionnaire, the study measures the basic constructs of – service quality, customer satisfaction and company image. The overall findings indicate that when measuring a company's image with the objective to increase customer satisfaction, human interaction factors (sales executives' performance and operators' attitudes) play major roles in determining the level of customer satisfaction.

INTRODUCTION

The term image is currently used in a variety of contexts, i.e. corporate image, brand image, public image, self-image, restaurant image, store image, and so on. As a whole, an image can be defined as, “the sum of belief, ideas and impressions that a person has of an object” (Kotler & Clark, 1987). Consumers in particular, develop knowledge systems to interpret their perceptions of companies. As such, corporate image is believed to have the same characteristics as a self-schema influencing the buyers' purchasing decision.

Corporate image has become an issue of attitudes and beliefs with regards to awareness and recognition (Aaker, 1991). Similarly, good corporate image may stimulate the customers' mood and purchasing behavior toward a company by simplifying their decisions. Fornell (1992) in his study found that corporate image has some influence on customer satisfaction and consumer behaviour. In addition, Grönroos (1990) stressed that customers' perceptions of service are also affected by the corporate image. For a service company, the perception of image could be derived from the technical and functional components of service, fueled by any marketing promotion that takes place (Grönroos, 1990). If the perception of the company's image is favorable, minor mistakes would be tolerated, but if the mistakes occur often, then the image of the company will be tarnished.

LITERATURE REVIEW

Beyond impressions of the immediate service encounter and evaluations of service evidence, customer perceptions to some extent can be influenced by the reputation of the organization or the company's image (Ziethmal & Bitner, 1996). Numerous definitions of image can be found in the psychological and marketing literature. Image has been described as subjective knowledge (Boulding, 1956) and as an attitude (Hirschman, Greenberg, & Robertson, 1978). Erickson, Johansson, and Chao, (1984) had identified image as a combination of product characteristics that are different from a physical product but nevertheless identifies with the product.

The most acceptable definition of image for service industries is by Keller (1993) who defined image as perceptions of an organization reflected in the associations held in consumers' memories. Grönroos (1994) argues that image is of utmost importance to service firms and is to a great extent determined by customers' assessment of the service they received. Indeed, since services are intangible and based on performances, a better understanding on the components of image promises to help management improve the competitive performance of their firm. Therefore, prerequisite to image management is therefore, the understanding of the process by which image is formed through the customers' beliefs and attitudes with regard to a firm's products or services.

The association between corporate image and the product can be very concrete. For example, in the transportation services the consumer will associate a company's image with the number of trips per day; easy and fast access to server for internet service providers and for financial related services the customer will compare the hours of operations between the service providers. It can also be less concrete and even more emotional, such as excitement, trustworthiness, tradition, and fun. Kennedy (1977) categorized the principles of image into two parts, i.e. functional and emotional. According to him, the functional component is related to tangible cues that can be measured more easily, while the emotional component is associated to psychological states that are manifested by feelings and attitudes.

In this context corporate image becomes an issue of attitudes and beliefs with regard to awareness and recognition (Aaker, 1991), customer satisfaction and consumer behavior (Fornell, 1992). Corporate image can be an extrinsic information cue for both existing and potential buyers and may or may not influence customer loyalty (e.g. willingness to provide positive word-of-mouth). Corporate image is consequently assumed to have an impact on customers' choice of company when service attributes are difficult to evaluate. Corporate image is established and developed in the consumers' mind through communication and experience. Corporate image is believed to create a halo effect on customers' satisfaction judgment. When customers are satisfied with the services rendered, their attitude toward the company is improved. This attitude will then affect the consumers' satisfaction with the company.

Based on the above discussion and arguments, in relation to customer satisfaction, service quality and a customer's perception of company image, the following hypotheses will be examined:

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| <i>H1: There will be a positive relationship between sales executive, A&P programs, Primatel image and operators' attitudes and customer satisfaction for digital leased line service in the telecommunication industry.</i> |
|--|

H2: The relationship between sales executive factor and customer satisfaction will be greater than those of A&P programs, Primatel image and operators' attitudes and customer for digital leased line service in the telecommunication industry.

Notwithstanding this, there is a lot of arguments about the principles of corporate image. Grönroos (1984) argued that corporate image is built mainly by technical and functional qualities. In his argument, the technical quality refers to what the customer actually receives from the actual service experience. However, most researchers believe that the functional quality of service encounter plays a significant role in determining the image of the service providers. For example, Baker (1987) contended that atmospherics have considerable influence on employee motivation and the quality of the service encounter. Similarly, Crosby, Evan and Cowles, (1990) noted that the performance of contact personnel is indicative of the level of quality offered by the service firms.

Interestingly, the service encounter is seen to be the integral part in service quality factors identified by Parasuraman *et al.* (1988). He classified the 13 scale items in SERVQUAL i.e. responsiveness, assurance and empathy which related directly to the service encounter personnel. The assumption is that the higher level of satisfaction derived from each service encounter will be viewed as having a positive effect on corporate image assessment. Nguyen and LeBlanc (1998) had investigated the relationship between quality of service and corporate image for the financial services. They found that a very strong path existed between the two variables. This finding suggests that customers receiving higher levels of service quality during service delivery will form a favorable image of the firm. Based on this analysis, the study will confirm the following hypothesis:

H3: The relationship between functional quality and company image will be greater than the association between technical quality and company image for digital leased line service in the telecommunication industry.

RESEARCH METHOD

Sampling

The population of the study was Digitaline II subscribers in Malaysia. Digitaline II is a version of digital leased line offered by Telekom Malaysia (TMB) since 1994. The current trend shows that there are two main subscribers of Digitaline II i.e. CBC and MBC. CBC are corporate and business customers who contribute over RM1 million in revenue to TMB while MBC refers to major business customers whose revenue contribution is between RM100,000 and RM 1 million. As of December 1998, there are about 284 CBC customers and 416 MBC customers using the service with the total number of 4,092 circuits. In selecting the market research survey sample, the stratified random sample of probability sampling was utilized. In this situation, the researcher draws a sample of groups to be interviewed based on identified criteria. The criteria was used to ensure more reliable results. It will make sure that the sample is a representative sample of the Digitaline II customers. The criteria is:

| |
|--|
| External current Digitaline II customers excluding the other service providers. This criteria is needed to ensure that there will be no bias-ness in the overall result. |
| The banking, finance, manufacturing, petroleum, government-owned, transport, retail and distribution industries |
| All the above respondents must be located within the major towns in Malaysia. |
| Subscribing more than one Digitaline II from Telekom Malaysia. |

Based on the criteria, the questionnaires were distributed to 245 respondents by using three data collection techniques i.e. personal interview, telephone interview and mail survey. However, only 150 questionnaires were usable for data analysis.

Measurement

Using the structured questionnaire, the study measures the basic constructs – company image (CM), customer satisfaction (CS), functional quality (FQ) and technical quality (TQ). To ensure the content validity of the measures, a thorough review of the relevant literature was undertaken. Face validity of the questionnaires was established by interviewing five senior representatives from each department who have direct involvement in Digitaline II i.e. sales, product and technical department. The responses received were positive and some changes were made based on their suggestions.

| | |
|-----------------------------------|---|
| Company image. | The respondents were asked to evaluate four factors that are related to the company image i.e. sales executive (CM1), advertising and promotional programs (CM2), outlet services or Primatel (CM3), and operators' attitude (CM4). All respondents have to indicate the extent to which they agree or disagree with the statements concerning all the above factors. The initial result for inter-item reliability of $\alpha = 0.8465$ indicates that all the factors in the company image form a single, strongly cohesive and conceptual construct. The value recorded is also above the acceptable range of $\alpha = 0.7$ (Nunnally, 1978). |
| Customer satisfaction. | The respondents were asked on their overall satisfaction towards Digitaline II which is measured by using five point Likert scale from "1-strongly dissatisfied" to "5-strongly satisfied" where the rating 3 is for the customer who "feel neutral". |
| Functional and technical quality. | The concept for service quality used in this questionnaire is the concept introduced by Grönroos (1990). He proposed that service quality consists of two dimensions, i.e. technical quality and functional quality. Technical quality refers to the quality of products or services delivered to customers. The respondents were asked about their perception of the overall quality of Digitaline II performance. Functional quality refers to how the quality service is delivered which includes the overall perception of the service quality. The term "service quality" is generally interpreted as how the customers are treated by the service provider before and after the actual products or services are installed. The standard measure used to evaluate both the technical and functional qualities is the five point Likert scale of "1-Poor" to "5-Excellent". |

RESULT AND DISCUSSION

The result shows that the hypothesis H1 which states that there is a positive relationship between the company image factors and the overall customer satisfaction is acceptable. The correlation coefficient (R) shows the values range between 0.526 and 0.577. This result is in line with the finding of Nguyen and LeBlanc (1988) who asserted that a higher level of customer satisfaction leads to a favorable customer assessment of corporate image.

The result also clearly indicates that all the factors under company image show a positive relationship with customer satisfaction level where CM1 (sales executive) has the highest correlation with $R=0.577$ while the CM3 (outlet service) has the lowest correlation of $R=0.526$. This result, therefore supports hypothesis H2 which proposes that the relationship between sales executive (CM1) and customer satisfaction will be greater than other company image factors under study. This is due to the reason that majority of the respondents are either corporate or major business customers in which Telekom Malaysia had assigned individual sales executive to take care of them personally. In this situation, their telecommunication-related problems would be channeled through the respective sales executives and therefore the interactions with the outlet services (CM3) are very limited.

| | | ANOVA | | | | |
|---|-------------------------------------|---------|------------|----------|---------|------------|
| | Model/Predictors | R-value | Regression | Residual | F-value | Sig. value |
| 1 | CM1 ^a | 0.577 | 47.981 | 95.913 | 74.038 | 0.000 |
| 2 | CM1 ^a , CM4 ^b | 0.593 | 50.575 | 93.319 | 39.834 | 0.000 |

^aCM1 = Sales Executive
^bCM4 = Operators' Attitudes

The multiple regression 'stepwise method' had been performed by using SPSS (version 9) to establish which of the four company image factors can be considered as main predictor of customer satisfaction. Table 1 illustrates the model summary in which two models were identified. From the result, it can be inferred that model two is the better model since it gives the highest R-value ($R=0.593$) when compared to the first model ($R=0.577$). Two factors had been omitted from the analysis i.e. CM2 (advertising and promotional programs) and CM3 (outlet services) since they do not explain the dependent variable (customer satisfaction) very well.

The results on the analysis of variance in the regression analysis found model 2 to be a better model. In this situation, ANOVA was utilized to test the null hypothesis that no linear relationship exists between the dependent variable (customer satisfaction) and the independent company image factors (CM1 and CM4). The results indicate that since the observed significance level is less than 0.05, the null hypothesis which states that there is no linear relationship between customer satisfaction and the two corporate image factors (CM1 and CM4) cannot be accepted (Norušis, 1997). Moreover, since the 'F-value' is greater than 3.00 (for $n_1=2$, $n_2=\infty$), the null hypotheses can

be rejected at 95% confidence interval. Thus, this result became another empirical evidence that supports the hypothesis H2 because it indicates the importance of sales executive as one of the main predictors of customer satisfaction.

The value of R^2 of 0.351 for model number two indicates that only 35.1% of the observed variability in customer satisfaction is explained by the two identified factors namely CM1 (Sales Executive) and CM4 (operators' attitudes). Similarly, with the high residual value as compared to the regression value in ANOVA, it suggests that further research should be undertaken to analyze other factors that might influence company image. Thus, the result shows that with regard to the company image, sales executive and operators' attitudes are the main predictors that would affect the customers satisfaction level. However, the low R^2 value and high residual value as reported in the finding indicate that there are other company image factors that could be the main predictors which are not included in this study.

| Variables | UC* | | SC** | T-value | Sig. |
|----------------------------|-------|------------|-------|---------|-------|
| | B | Std. Error | Beta | | |
| Constant | 1.261 | 0.282 | | 4.472 | 0.000 |
| Sales Executive (CM1) | 0.419 | 0.105 | 0.416 | 4.005 | 0.000 |
| Operators' Attitudes (CM4) | 0.205 | 0.106 | 0.210 | 2.005 | 0.045 |

* UC = Unstandardized Coefficient
 ** SC = Standardized Coefficient

Table 2 shows the regression coefficient for model two. The coefficients for the independent variables are listed in the column labeled Beta (column under standardized coefficient). From this table, the estimated regression equation can be read as:

$$CS = 1.261 + 0.416CM1 + 0.210CM4$$

In general, it can be inferred that all the independent items under the company image have a positive coefficient which means that the predicted value of the dependent variable (CS) increases when the value of the independent variables increase (CM1 and CM4). The regression equation indicates that on a five-point scale for customer satisfaction, the level has the constant value at 1.261 (dissatisfied) if no initiatives are taken to increase the level of the independent items i.e. CM1 and CM4. However, effort must be concentrated on the sales executive performance since it has higher coefficient beta of $\beta = 0.416$ when compared to CM4 ($\beta = 0.210$).

Tests between the instrumental performance (akin to functional quality) and expressive performance (akin to technical quality) of services suggest that the first type of performance is

necessary, but it is not a sufficient condition for satisfaction in this study (referring to the testing on H3). Grönroos (1984) argued that functional quality appears to be the most important facet of perceived service towards a company's image. Thus, it is also important to study if any relationship exists between the functional quality and company image.

| Company Image Factor | Functional Quality | | Technical Quality | |
|----------------------------|--------------------|----------|-------------------|----------|
| | R | R Square | R | R Square |
| Sales Executive (CM1) | 0.792 | 0.627 | 0.507 | 0.257 |
| A&P Programs (CM2) | 0.615 | 0.378 | 0.466 | 0.217 |
| Outlet Services (CM3) | 0.676 | 0.457 | 0.414 | 0.171 |
| Operators' Attitudes (CM4) | 0.768 | 0.589 | 0.446 | 0.199 |
| Overall CM* | 0.771 | 0.594 | 0.486 | 0.237 |

* Overall CM represents the average for all the company image factors rating for each respondent.

Table 3 reveals the result of regression analysis 'enter-method' that analyses the possible relationships between functional quality, technical quality and individual company image factor. With regard to the association between functional quality and company image factors, the result shows that the calculated R values are between 0.615 and 0.792 where the CM1 factor recorded the highest R value of 0.792. The CM2 factor had the lowest regression coefficient of R=0.615. Since the regression coefficient value is well above the 0.5 mark for all the company image factors, it can be inferred that functional quality will have a direct and positive impact on company's image.

In contrast, when the authors study the relationship between technical quality and company's image factors, the result indicates the regression value between 0.414 and 0.507 for all company's image factors. Similar to the finding for functional quality, the result shows that CM1 recorded the highest value when compared to other company image factor. This result confirmed and proved that human interaction in company image plays a very significance roles in assessing the functional quality or technical quality.

Based on the above findings, it can be concluded that the relationship between functional quality and company image will be greater than the association between technical quality and company image particularly for Digitaline II in the telecommunication industry. Thus, hypothesis H3 is substantiated. This finding indicates that both dimensions of service quality are related to the perception of company's image. In this situation, the assessment on quality will be better if the customer has positive perception on company image.

CONCLUSION

Image is another determinant that needs to be considered by the organization to ensure customer satisfaction (Grönroos, 1990). The term image is currently used in a variety of contexts i.e. corporate image, brand image, public image, self- image, restaurant image and so on. In general, an image can be defined as “the sum of beliefs, ideas, and impressions that a person has of an object” (Kotler & Clarke, 1987). In order to compete successfully in a competitive market, the company must define how quality is perceived by consumers and determined in what way service can be influenced by their perceptions. Consumers may not only be concerned with the actual product that they receive but also the process accompanying the delivery of the product. As such, the image of sales office or sales outlets will be of greatest importance for most service firms.

Overall the result clearly indicates that the respondents agreed that operators’ attitudes, modern outlet services, advertising and promotional programs and sales (account) executive performance will create a positive image of the company. The study also proved that the relationship between overall corporate image and customer satisfaction does exist. This result is in line with Grönroos (1990) who stressed that customers’ perception of service is also affected by the corporate image. He argued that image is of utmost importance to service firms and is to a great extent determined by customers’ assessment of the service they received. Better understanding of the component of image promises to help management to improve the competitive performance of the firm since service is intangible and to some extent the level of satisfaction will depend on performances (Grönroos, 1984).

In addition, the result also indicates that customer satisfaction level will depend greatly on company’s image factors particularly for CM1 and CM4. The finding indicates that when measuring a company’s image with the objective to increase customer satisfaction, human interaction factors (sales executives’ performance and operators’ attitudes) play major roles in determining the level of customer satisfaction. However, further analysis using multiple regression between customer satisfaction and all the independent factors in the study, found two items i.e. CM1 (sales executive) and CM4 (operators’ attitudes), to be the important predictors for customer satisfaction level. In the analysis, CM4 had recorded the highest coefficient value of $\beta = 0.388$ when compared to other identified factors in the model. The result indicates that the betterment towards the operators’ attitude will to a great extent improve the customer satisfaction level.

This study was completed with a moderate sample size. This is due to the fact that, there were only 700 subscribers of Digitaline II as of December 1998. The result in this study could not be generalized because it was limited to digital leased line service (Digitaline II) offered by TM. However, since TM controlled 98% of the market share for digital leased line service, the result could be generalized for that particular market. Thus, it is useful as a guideline for any telecommunication service provider which has the intention to offer similar service to their customers in the future. The result in this study could also be adopted as a benchmark especially for companies that had already launched their digital leased line to customers.

Future research must try to investigate other company’s image factors that might influence customer satisfaction. This is very important since the R^2 value that explains the variation between the dependent and independent variable that was found in the current investigation is very low.

Thus, initial study to identify other company's image factors should be carried out prior to empirical research.

Since the current study only focused on digital leased line service, future research to analyze the relationship between company's image, customer satisfaction and service quality within the telecommunications industry in Malaysia is required to confirm the result of the current investigation. In relation to this, future researchers are encouraged to take into consideration all the services offered in the telecommunications market and expand their scope to include all major telecommunication service providers in Malaysia.

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ME, WE, OR THEE? A PERCEIVED CONTROL PERSPECTIVE ON CONSUMER DECISION AUTONOMY

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ABSTRACT

Consumers often do not conduct their purchase decision processes autonomously. Rather, purchase decisions have been characterized as being autonomous (a purchase decision controlled by the self), subcontracted (a purchase decision controlled by another), or hybrid (a purchase decision possessing characteristics of both). This conceptual paper examines the perceived control and consumer research literatures to glean a better theoretical understanding of antecedents and outcomes of such decision styles. The Motivation, Opportunity, and Ability framework is utilized to develop a classification system of antecedent factors that may be useful for understanding and predicting the incidence of these differing decision types. Managerially relevant implications and opportunities for future research are suggested.

INTRODUCTION

While the nature of consumers' wants, needs, and desires may range from the "rational" to the "apparently irrational" (Holbrook & Hirschman, 1982, 132), all purchase decision processes are oriented toward goal achievement. Even though such goals may be of high personal importance, it has been noted that some consumers often do not strive for autonomy in managing their purchasing activities, including the purchase decision itself. For example, Westbrook and Fornell (1979) identified four different styles of information search, ranging from the objective shopper, who makes extensive use of multiple information sources, to the personal advice seeker, who relies primarily on personal sources for making buying decisions. Olshavsky and his colleagues (e.g., Olshavsky & Granbois, 1979; Rosen & Olshavsky, 1987) coined the terms "hybrid" and "subcontracted" decision making to describe decision processes wherein a consumer exhibits a degree of dependency upon (as opposed to utilization of) some outside source(s) for advice or choice.

Dependency in goal achievement is an issue addressed directly in the psychological literature regarding perceived control, a perspective on hybridization and subcontracting which has not yet been considered. Though the marketing literature pertaining to perceived control is relatively sparse, the construct has attained important stature in the psychological literature. Achievement behaviors have been shown to be influenced by personal control perceptions and preferences in a variety of domains, including academic achievement (e.g. Menec et al., 1994), stress, health, and

health maintenance (e.g., Thompson et al., 1993), and search for and use of information in job hunting (e.g., Friedrich, 1987).

Olshavsky and his colleagues proposed a variety of potential reasons for hybrid and sub-contracted decision behaviors, however, no theoretical explanation has been developed. Besides its value to consumer behavior theory, such an explanation could also help marketers predict and understand individual consumers' decision styles. Accordingly, this conceptual paper first seeks to explain why, and predict when, consumers do or do not choose a hybrid or subcontracted purchase decision process. Because consumer purchase decisions represent goal achievement situations, the paper advocates that the perceived control construct may be useful in formulating a better theoretical and working understanding of autonomous, hybrid, and subcontracted purchase processes. Two categories of control-related behaviors, primary and harmony control (Morling & Fiske, 1996; Rothbaum, Weisz & Snyder, 1982), are elucidated. Autonomous and subcontracted purchase behaviors, respectively, are argued to be manifestations of these two control behavior types. Hybrid decisions are characterized as purchase processes wherein primary and harmony behaviors coexist. The challenge of explaining and predicting these purchase decision behaviors becomes one of understanding the occurrence of the different forms of control behaviors.

The paper begins with a discussion of the perceived control construct, followed by a classification of reasons why consumers may or may not choose to forfeit a degree of control over their decision processes. This classification system is based upon the Motivation, Opportunity, and Ability framework (e.g., see MacInnis, Moorman & Jaworski, 1991), and is presented as a model of control-related behavior propensities in purchase decision processes (see Figure 1). It is offered as a systematic way of thinking about factors that determine, influence, or inhibit controlling behaviors in the purchase process. Theory and research results from both the consumer behavior and the perceived control literatures are discussed within the context of the model to (a) propose antecedent factors of primary and harmony control behaviors in decision making and (b) provide managerially useful methods of predicting purchasing behavior. Finally, the paper outlines potential new avenues for research suggested by this control-related purchase behavior model.

PRIMARY AND HARMONY CONTROL AS DECISION MAKING BEHAVIORS

Successful utilization of the perceived control construct to explain decision making behavior requires that it be more fully explicated than has been the case in previous marketing applications. As in common language, marketing researchers have taken the term "control" to indicate a person's exercise of direction over some object. However, perceived control researchers view "control" as a *sensation*, rather than just an activity (hence, the adjectival "perceived"). This appropriate separation of the sensation of control from antecedent behaviors which cause it has led psychologists to study and attempt to classify those behaviors (e.g., Averill, 1973). Most widely accepted and confirmed is Rothbaum, Weisz, and Snyder's (1982) proposal that there are two such broad classes of behavioral contributors to the perception of control: *primary* control behaviors and *secondary* control behaviors, their monikers indicating the order in which the two are preferred. According to Rothbaum et al., secondary control-related behaviors become important when primary attempts have failed or are expected to fail. Morling and Fiske's (1996; working manuscript) *harmony* control

concept extends the notion of secondary control to account for empirical evidence that this inverse relationship is frequently not observed. Primary, secondary, and harmony control are elucidated further in the following paragraphs.

Primary Control

Primary control behaviors are attempts to change salient aspects of the world to fit the needs and desires of the individual (Rothbaum et al., 1982). When people engage in primary control-related behaviors, they act for themselves in an attempt to get what they want. It is to this class of behaviors common usage of the term "control" refers, and it is to this class that marketing researchers have limited themselves in their use of the perceived control construct. Primary control behaviors which have been identified in perceived control research, and which are indicative of autonomous purchase decision behaviors, include exercising personal direction over decisions (e.g., Taylor, 1990); seeking out and utilizing more sources of information (e.g., Friedrich, 1987); and exhibiting (a) more focused attention, (b) more effective utilization of memory capacity, and (c) reduced emotional interference while on task (e.g., Perry, 1991).

Secondary Control

Secondary control behaviors are attempts to change the self to fit with perceived realities of the environment. A wide variety of behaviors are of this sort, including trusting in another, trusting in luck, or attempts to achieve predictability (Rothbaum et al., 1982). In the purchase decision context, such behaviors might manifest themselves as dependency upon another (e.g., a salesperson, physician, or referent other) as advisors or surrogate decision makers (e.g., Heckhausen & Schulz, 1995), making decisions flippantly or without sufficient information (e.g., Rothbaum et al., 1982), or avoidance of risk, often by engaging in habituated behavior (e.g., Covington, 1993). Each of these behaviors are regarded by Olshavsky (1979) and his colleagues (Olshavsky & Rosen, 1985) as characteristic of hybrid or subcontracted decision making. Though primary and secondary control tactics are by no means mutually exclusive for any given situation, one class or the other tends to dominate (Heckhausen & Schulz, 1995; Rothbaum et al., 1982). Further, when primary control is judged unattractive or impossible, secondary control becomes important so that a sense of control can be maintained (Heckhausen & Schulz, 1995).

Harmony Control

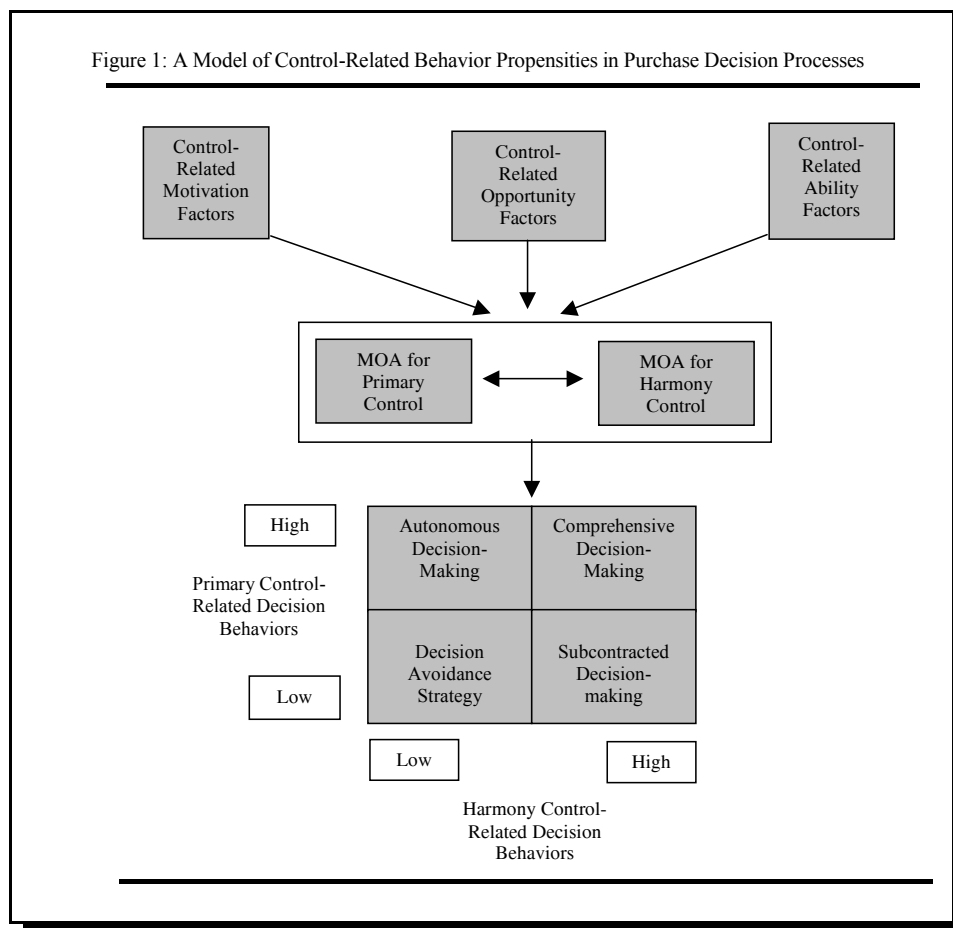
Harmony control (HC) refers to the purposeful transfer of (autonomous/primary) control and agency from oneself to some external context of social, spiritual, or cosmic forces due to cultural, personal, or situational reasons (Morling & Fiske, working manuscript). The concept expands and extends the secondary control construct, and is used here in preference to that term. Morling and Fiske make explicit (and demonstrate) the fact that dependent behavior can lead to a perception of control, and that such behavior may be preferred over primary, autonomous, behavior. Based upon empirical evidence to the contrary, they dispense with the requirement that failed primary efforts

have occurred. HC-related behaviors can indeed be engaged after or in anticipation of failed primary control attempts (i.e., in a “secondary,” or compensatory, sense). They may, however, also occur in conjunction with or even instead of primary control attempts, without failure experiences, and are equally instrumental in the maintenance of control perceptions (for examples of each of these possible outcomes, see Heckhausen & Schulz, 1995; Schulz & Heckhausen, 1996; Schulz, Heckhausen & Locher, 1991; Thompson, Collins, Newcomb & Hunt, 1996; Thompson, Nanni & Levine, 1994). In sum, these research results point to an independent, rather than an inverse, relationship between the two categories of control-related behavior. Morling and Fiske’s research strongly supports this prediction of independence, showing in three of four samples that measures of HC are uncorrelated with two different measures of primary control (a subsample of the fourth sample evinced a moderate negative relationship with one of the primary control measures).

The final HC scale of 21 items is made up of five factors. “Higher Power” includes six items that refer to the influence of some higher power, including a deity or fate. “Friends Care” is a factor comprised of six items capturing perceptions of trust in interested others for instrumental support in decisions or need fulfillment. The “Anticipate Others” factor includes four items capturing perceptions of social advantage in proactively meeting others’ needs. “Merge with Others” includes two items that pertain to becoming absorbed in others to the point of forgetting one’s own wants. Finally, the “Wait on Luck” factor captures perceptions of the importance of good fortune in determining outcomes. The collection of items and their confirmed factor structure suggests that the HC construct captures the intentional tendency of individuals to transfer responsibility, agency, and control over choices to forces outside of themselves (such as spiritual forces, friends, trusted advisors, or luck). In addition, persons may actively align with social forces by anticipating others’ needs and by merging with other people. However, the observation that HC and primary control behaviors are statistically independent clearly evidences the common-sense notion that transfer of influence need not be an all-or-nothing act. In the decision context, high levels of autonomy do not necessarily imply conversely low levels of dependency (or vice-versa). Rather, it is likely that people believe internal and external influences can be employed either in isolation or in tandem.

MODELING CONTROL-RELATED DECISION BEHAVIOR

Understanding when and why primary and harmony control-related tactics occur facilitates prediction of control-related decision behavior. Consistent with the above definitions of primary and harmony control, it is proposed here that persons striving to maintain authoritative, personal influence over their purchase decision processes are exhibiting control behaviors that are primary-dominant. Hybrid and subcontracted purchase decision behaviors, on the other hand, are considered manifestations of higher levels of harmony control tactics, either in conjunction with or in preference to primary control-related behaviors. Hence, purchase decision processes can be conceptualized as locating within a matrix of decision-making styles, including (a) autonomous decision making (high use of primary control tactics, and low use of harmony control tactics); (b) subcontracted decision making (high use of harmony tactics, and low use of primary tactics); (c) comprehensive decision-making (high use of both primary and harmony tactics); and (d) decision avoidance (low use of both forms of control-related tactics; see Figure 1).



Indicated in Figure 1, MOA for Primary and Harmony Control represent higher order variables. These two variables help to predict where, within this behavioral matrix, a decision maker in a given purchase situation may be located, i.e., to what extent the person will exhibit primary, secondary, or combinatory control decision making behavior. These variables are, in turn, determined by the interaction of three sets of factors: Control-related Motivation, Opportunity, and Ability factors. Note that the model suggests that MOA exists separately for each class of behavior, Primary and Harmony. The implication is that each class is influenced by its own set of Motivation, Opportunity, and Ability factors, though these factor sets almost certainly interact. For example, though an individual's personality might typically lead him/her to solicit help from a trusted friend in important decisions (and, thus, employ a hybrid or even subcontracted decision strategy), a less important decision or a lack of opportunity for soliciting help may force him/her to make the decision himself (an autonomous decision). Factors that may influence autonomy and subcontracting preferences are discussed in greater detail below.

MOA AND PROPENSITY TO CONTROL IN THE PURCHASE PROCESS

People's likelihood of performing a given behavior can be assessed by examining their motivation, opportunity, and ability (MOA) to do so. For example, MacInnis, Moorman, and Jaworski (1991) advocated an examination of these three variables to assess MOA to process information from advertisements. They suggest that using ad execution cues to enhance motivation, opportunity, and ability should increase MOA to process information, lead to a deeper level of processing, and, in turn, lead to more fully formed and stable attitudes.

Use of the MOA construct in this paper parallels that by MacInnis et al. (1991) and others (e.g., Petty & Cacioppo, 1986). The paper presumes that motivation, opportunity, and ability to exercise primary and/or harmony control in the purchase process (a) each exist independently to a degree equal to or greater than nil, (b) interact multiplicatively to predict MOA for Primary and Harmony Control (i.e., are not simply additive), and (c) are each themselves determined by an interaction of personal, situational, and object factors. Motivation is defined as a consumer's readiness or desire to engage in primary and/or harmony control behaviors. It is recognized as a broader construct than involvement (see Park & Mittal, 1985; Petty & Cacioppo, 1986) in that involvement is just one variable that may lead to a state of motivation (Celsi & Olson, 1988). Opportunity is defined as the extent to which aspects of the environment, e.g. the availability of time (e.g., MacInnis et al., 1991; but see "Future Research" section of this paper) or a trustworthy advisor or surrogate, allow the liberty of engaging in the behaviors. Ability is defined as the extent to which the individual perceives that s/he possesses the competency to engage in primary and/or harmony control behaviors (MacInnis et al., 1991; Perry, 1991). Evidence from this and preceding sections gives rise to the following interrelated propositions (see Figure 1):

| | |
|-------------|---|
| <i>PI:</i> | <i>Control-related Motivation, Opportunity, and Ability factors interact multiplicatively to predict MOA for Primary Control and Harmony Control, rather than in a manner that is additive and compensatory.</i> |
| <i>PIa:</i> | <i>Strictly speaking, if any one of its three contributing components is entirely lacking, MOA for Primary Control should be zero, and a purely subcontracted purchase decision process, in which harmony control tactics are utilized exclusively, should be expected.</i> |
| <i>PIb:</i> | <i>Strictly speaking, if any one of its three contributing components is entirely lacking, MOA for Harmony Control should be zero, and a purely autonomous purchase decision process, in which primary control tactics are utilized exclusively, should be expected.</i> |
| <i>PIc:</i> | <i>Strictly speaking, if any one of the three contributing components is entirely lacking for both MOA for Primary and Harmony Control, MOA for both Primary and Harmony Control should be zero, and purchase decision avoidance should be expected.</i> |
| <i>PId:</i> | <i>A hybrid decision process will occur when levels of MOA for both Primary and Harmony Control are not zero.</i> |

MOTIVATION, OPPORTUNITY AND ABILITY LEVELS: ANTECEDENT FACTORS

As suggested earlier, many of the reasons Olshavsky and his colleagues have proposed for consumers relinquishing a degree of influence over aspects of the purchase process fall easily into the three-part MOA framework. Olshavsky and Rosen (1985) conclude that one reason may be a low level of purchase activity *motivation*. For example, they find that some subscribers to Consumer Reports use brand recommendations as a proxy for, or just to simplify, their decision making. Rosen and Olshavsky (1987) report that consumers are sometimes compromised in their *opportunity* (e.g., they lack adequate time, or are confronted with high time cost in search) or in their perceived *ability* to make a good decision (e.g., under conditions of high perceptions of risk). A variety of factors are believed to influence these levels of motivation, opportunity, and perceived ability.

If MOA for Primary and Harmony Control are to be useful as predictors of purchase process behavior, it is necessary that marketing personnel know what factors affect their three fundamental components. It is not the purpose of this paper to provide an exhaustive listing of such factors, which may represent myriad characteristics of the purchase object, the purchase environment, or the purchase process participants (for example, the consumer, the salesperson or service provider, or referent others). Rather, each of the following sections examines a brief selection of such factors. An interesting avenue for future research could be the development of structured sets of factors that causally affect consumers' motivation, opportunity, and perceived ability to engage primary and/or harmony behavior within their purchase decision processes.

Motivation

Fundamentally, a consumer will be motivated to play a directive and/or harmonic role in a purchase process to the extent that s/he perceives that doing so will aid in attainment of valued states. Two basic categories of sources for primary and harmony control motivation are proposed: intrinsic and extrinsic. Though these two sources likely operate interactively, they are examined separately here.

Psychologists recognize desire for control (DC; e.g., Burger, 1985; Burger & Cooper, 1979) as a stable personality trait which reflects the extent to which individuals generally are motivated to control the events in their lives. Harmony Control (HC), on the other hand, is a personality variable that describes a person's motivation to transfer control and agency outside of oneself (Morling & Fiske, 1996; working manuscript). As such, DC and HC are intrinsic variables that may act to determine consumers' motivation to control their purchase processes. High DC individuals are relatively more assertive, decisive, and active in their quest for (and use of) decision-enhancing information (Burger & Cooper, 1979). Persons high in DC are said to prefer making their own decisions; those who are low in DC and/or high in HC may prefer that someone else make decisions for them. These differing preferences may be reflective of differing value structures (Kahle, 1983; Rokeach, 1973). For example, it may be the case that, for persons high in HC, values such as security (Kahle, 1983) might be highly salient. For persons high in DC, such values as a sense of accomplishment, self respect/esteem, being capable, logical, or intellectual (Rokeach, 1973) may

be of greater importance. Morling and Fiske's (working manuscript) work documents the independence of these traits; individuals may be adept at either, neither, or both.

P2a: Given Opportunity and perceived Ability, higher levels of the personality trait Desire for Control (DC) lead to higher MOA for Primary Control-related behaviors in the purchase process.

P2b: Given Opportunity and perceived Ability, higher levels of the personality trait Harmony Control (HC) lead to higher MOA for Harmony Control-related behaviors in the purchase process.

Involvement is a variable that occurs in a variety of forms (Laurent & Kapferer, 1985) and can stem from intrinsic and extrinsic sources (Celsi & Olson, 1988). Consumer researchers generally agree that these sources are of three types: personal, object (or physical), and situational (e.g., Zaichkowsky, 1985). Personal factors (such as inherent interests, values or needs) interact with physical factors (characteristics of the object that cause differentiation and increase interest) and situational factors (something that temporarily increases relevance or interest toward the object) (Zaichkowsky, 1985). High involvement results when an object is viewed, for personal and/or situational reasons, as possessing high utilitarian, sign, or hedonic value (Mittal & Lee, 1989).

Theory and empirical results seem robust in suggesting that high involvement leads to motivation for primary control behaviors, such as giving attention to and comprehending relevant information (Celsi & Olson, 1988), greater counterarguing to advertisements (Wright, 1974), and increased search behaviors (e.g. Greenwald & Leavitt, 1984; Kassarian, 1981). Petty, Cacioppo, and Schumann (1983) argue that people are more motivated to devote the cognitive effort required to evaluate the true merits of an issue or product when involvement is high rather than low. However, while involvement may increase levels of Primary control-related behavior, it may simultaneously or instead increase levels of Harmony control-related behavior. The main effects may well prove to be moderated by personality and ability perceptions: given what s/he perceives to be an important, difficult decision situation, an individual who is high in HC might employ a hybrid or even subcontracted decision process.

P3a: Given Opportunity and perceived Ability, higher levels of involvement lead to increased Motivation and higher MOA for Primary Control behaviors in the purchase process.

P3b: Given Opportunity and perceived Ability, higher levels of involvement lead to increased Motivation and higher MOA for Harmony Control behaviors in the purchase process.

P3c: The main effects of involvement on Primary and Harmony control-related behaviors are moderated by personality (DC and HC) and ability perceptions.

Opportunity

Lack of opportunity to exercise primary control in the purchase process can stem from the consumer's perception that environmental characteristics, most commonly time deficiency, preclude carrying out the self-directed purchase decision process that s/he might otherwise be motivated and

capable to undertake. Conversely, perceived time sufficiency leaves open the possibility that the consumer will conduct such a self-directed purchase process. Similarly, a lack of opportunity to exercise harmony control may stem from the perceived absence of an outside agent worthy of trust, thereby precluding the subcontracting or hybrid strategy that would otherwise be preferred.

Opportunity for both primary and harmony control behavior may be (at least in part) dependent upon the decision maker's level of (high or low) motivation. Persons tend to "make time" for activities and tasks that are important to them. Similarly, an individual sufficiently high in HC might actively seek out a trustworthy advisor or surrogate decider.

P4a: Subject to Motivation and perceived Ability levels, perceived time sufficiency leaves open the possibility for a positive level of MOA for Primary Control behaviors in the purchase decision process; time insufficiency precludes such behavior.

P4b: Subject to Motivation and perceived Ability levels, the perceived presence of a trustworthy outside agent leaves open the possibility for a positive level of MOA for Harmony Control behaviors in the purchase decision process; the lack of a trustworthy agent precludes such behavior.

P5: Opportunity to exercise primary and harmony control behaviors in the purchase process is dependent upon the level of Motivation.

(Perceived) Ability

As is the case for motivation, two interacting categories of sources for ability perceptions are proposed. Perceptions about one's ability to exercise primary control are dependent upon both a subjective personality variable, Internality of Control (see Rotter, 1966), and the objective characteristics (i.e., degree of complexity) of the purchase decision situation. This effect of complexity on perceived ability is, however, likely to be moderated by the individual's level of expertise in the domain.

High internal individuals perceive themselves to possess high capacity to control aspects of their lives. They have greater expectancies that their strategies, plans, and behaviors will contribute to goal attainment than do low internal individuals, who perceive that control over goal attainment resides largely external to themselves. Low internal persons appear to exhibit a preference for secondary control tactics in most circumstances; high internal persons exhibit secondary control preferences only when their motivation to exercise primary control is low or objective realities preclude it (see Menec et al., 1994; Perry, 1991; Rothbaum et al., 1982). Though a number of assessment instruments exist for identifying high and low internal individuals in experimental settings (e.g., Rotter, 1966), a less formal evaluation might be made on the basis of consumers' answers to questions about their self-confidence in gathering, synthesizing, and making use of decision-relevant information.

With regard to harmony control-related behavior, the Motivation, Opportunity, and Ability framework has highlighted a "hole" in the perceived control and decision subcontracting literatures. Measures of HC confound the questions of motivation and ability: persons high in HC preferences are presumed to also possess a sufficiently high capacity to follow through on those preferences.

Further study may show this to be true. It may also be the case, however, that some individuals who would prefer to employ a subcontracted or hybrid style of decision-making, may perceive themselves to lack interpersonal skills and/or find themselves unable to trust in luck, fate, a higher power, or other people. Accordingly, the proposition presented here regarding harmony control-related ability currently lacks empirical support.

P6a: Given Motivation and Opportunity, higher levels of the personality variable Internality of Control lead to increased perceptions of Ability and higher MOA for Primary Controlling behaviors in the purchase process.

P6b: Given Motivation and Opportunity, higher levels of interpersonal skills and/or an ability to trust in outside agent(s) lead to increased perceptions of Ability and higher MOA for Harmony Controlling behaviors in the purchase process.

Marketing personnel can, to a degree, objectively assess consumers' capacity to undertake a self-directed purchase decision process based upon their own knowledge of its requirements. One can easily think of decision making instances that are of such complexity that only professionals in the field may reasonably be expected to conduct anything approaching a "good" evaluation. Examples include decisions required in the fields of medicine and law. Nevertheless, like other services, even medical and legal procedures consist of a bundle of activities, some of which may be subject to client direction. Though one should not reasonably expect clients to exhibit extreme levels of primary control, neither can it be presumed that they will subcontract all decision making authority.

Further, it is likely that expertise in the decision domain will lead to higher ability (for primary control) perceptions. Aside from professional training, it is possible that experience with the purchase decision domain (for example, as might accumulate in prolonged treatment of an ongoing medical condition) could result in increased familiarity and expertise. Alba and Hutchinson (1987) write that higher familiarity is expected to influence distinct aspects of expertise, including cognitive effort, analysis, and elaboration. Higher levels of these behaviors are indicative of increased primary control activity (Perry, 1991).

P7: Given Motivation and Opportunity, lesser levels of purchase decision process complexity lead to increased perceptions of Ability and higher MOA for Primary Controlling behaviors in the purchase process.

P8: Level of expertise in the decision domain moderates the relationship between complexity and (primary control-related) Ability perceptions.

P9: Internality of Control and purchase decision process complexity (as moderated by expertise) interact to determine level of Perceived Ability (for primary control).

FUTURE RESEARCH

While the application of perceived control theory and the MOA framework to consumer decision making provides an interesting theoretical perspective on self-directed, hybrid, and subcontracted decision process behaviors, these decision making behaviors have themselves been extensively examined (e.g., Bettman & Park, 1980; Bettman & Sujan, 1987; Olshavsky & Granbois, 1979; Olshavsky & Rosen, 1985). Accordingly, the thrust of this paper has been less to discuss those behaviors as to explain and predict their occurrence. Nonetheless, the framework presented here is a potentially fruitful one, in that it prompts researchers to engage in a new, systematic, way of thinking about decision process behaviors and factors that may determine, influence, or inhibit them. In particular, it appears useful to further consider (a) some of the possible combinations of motivation, opportunity, and ability levels, and (b) the effects of such combinations on cognitive as well as behavioral variables.

The Special Role of (High) Motivation

As proposed earlier, high motivation for primary and/or harmony control may have a positive effect on opportunity by causing the decision maker to (a) allocate, in some way, discretionary time to the decision process tasks, and/or (b) seek out a trustworthy advisor. For example, a couple in the final stages of an automobile purchase may choose to eat at a fast food restaurant, where they can make their final decision without the distraction of having to cook a meal themselves. As well, they can avoid the influence of a salesperson attempting to make the decision for them, thus retaining a greater degree of perceived autonomy over the purchase. While at the restaurant they may use their cell phone to call a trusted friend for his or her advice, thus hybridizing the decision. The following paragraphs suggest other cognitive and behavioral outcomes influenced by motivation for primary control.

Assuming a purchase decision situation in which primary control-related ability perceptions are low due to decision complexity, high levels of motivation for primary control opportunities could present the marketer with an occasion to create increased levels of consumer satisfaction. This is especially likely to be true for high Desire for Control (DC) persons. Individuals' usage of valued primary control behaviors serves to increase overall control perceptions (Perry, 1991; Rothbaum et al., 1982). In turn, increased control perceptions have been shown to lead to higher client satisfaction, perceptions of greater service quality, and strengthened client loyalty in banking services (Hui & Bateson, 1991). It is incumbent upon the marketer under these circumstances to find ways to enhance the motivated consumer's actual and perceived ability to exercise primary control. For example, Olshavsky and Rosen (1985, p. 137) suggest that the best way to "develop a self-reliant consumer" may be through education. The education to which they refer is public education of consumers in general, however, marketers can offer even more decision-specific education as a service to their customers.

P10: Given Motivation and Opportunity, but low levels of perceived primary control-related Ability due to decision complexity, increasing actual and perceived Ability for primary control serves to increase MOA for Primary Control, satisfaction, perceptions of service quality, and customer loyalty.

Past research and this paper have thus far presumed that opportunity (here, for primary control) is at worst determined by environmental factors or, alternatively, may be determined by factors over which the customer does have some influence, such as allocation of discretionary time. However, it is conceivable that Opportunity for primary control could be purposefully *denied* to the customer, for example, by a physician that withholds decision-influencing power from the patient. Weiner's (1985) attribution theory (see also Folkes, 1984) indicates that such withholding of control opportunities will be attributed to an internal (Locus) source, over which the marketer has control (Controllability). The customer's reaction may be one of anger if s/he perceives that control has been withheld for an arbitrary (i.e., no good) reason (Weiner, 1985, 562). Such a denial of (primary) control opportunity will be perceived to be particularly objectionable, and reactance should be most extreme, if the client is otherwise motivated and able to exercise some degree of primary control. It may be the case under such circumstances that the marketer's performance fails to meet the client's expectations, leading to dissatisfaction (Oliver, 1981).

P11: Given Motivation and Ability, arbitrarily withholding Opportunity for primary control may lead to a reaction of anger, which will in turn lead to feelings of dissatisfaction.

Conversely, offering opportunity for primary control when it is unexpected but desired may represent a way for the marketer to make the purchase experience exceed expectations, leading to increased satisfaction. For example, Taylor (1990) found that patients who were offered decision making influence over their pain relief and exercise regimens during surgical recovery not only experienced higher satisfaction with their hospital stays, but used less medication, exercised more, and recovered faster. Attribution theory suggests that such satisfaction is due to *gratitude* (Weiner 1985, 563), which may be engendered if the client perceives that the valued control has been given deliberately as a gift.

P12: Given Motivation and Ability, offering unexpected Opportunity for primary control may lead to a reaction of gratitude, which will in turn lead to feelings of increased satisfaction.

The Second Side of Low (Primary) Ability Perceptions: Low Internality

This paper has proposed that perceptions about one's capacity to exercise primary control in the purchase process may be low for two reasons. The above section explores, in part, outcomes associated with low perceived ability due to high purchase decision process complexity. Whereas marketers may be able to increase these ability perceptions through education, the psychological literature offers less hope that they can accomplish the same goal when those perceptions are due

to low Internality of Control. Low internal people often lack confidence that their actions bring about desired results (Perry, 1991), and frequently prefer harmony routes to control perceptions (e.g., Reich & Zautra, 1990). Enhancing ability perceptions among such individuals takes substantial intervention, and is the focus of such performance enhancing techniques as Attributional Retraining (Forsterling, 1985; Perry, 1991).

When the purchase decision is an important one, low internal persons are likely to hybridize or subcontract their purchase process by turning to someone perceived to be a “powerful other” (Rothbaum et al., 1982), i.e., someone who possesses the ability to guide or even make the decision. Aside from decision making capacity, however, the surrogate decision maker must be deemed worthy of trust: a powerful other upon whom the customer can base harmony control perceptions. The challenge to the marketer is to create the perception that s/he is trustworthy. Two categories of strategies marketers can use to create this perception, experience cues and assurance cues, are discussed briefly here.

Experience cues can stem from two sources, word-of-mouth communication and past experience (Zeithaml, Berry & Parasuraman, 1993). Word-of-mouth communications, which are statements made by parties other than the organization, convey to the potential customer what the end result of the purchase decision should be. They represent the experiences of others, and are perceived as being more likely to be unbiased than the communications of the marketer. Past experience, on the other hand, is the experience of the self. The degree of confidence the customer places in it will depend upon its extent and the degree to which s/he expects similar experiences in the future. A customer with past experience may have first entrusted the marketer because of a word-of-mouth communication.

Assurance cues are tangible or intangible evidences that are conveyed by the firm or the contact personnel. For example, certificates of professional accreditation (e.g., diplomas, awards, or certificates of training) signal that the employee possesses at least a minimum level of competency. Another method of increasing trust is the service guarantee. Such guarantees lead to better customer retention as well as greater trust; the consumer perceives the firm to be more reliable (see Bateson, 1995). Finally, the employee is her/himself a powerful assurance cue of trustworthiness. Bateson (1995) explains that “the public faces of the service firm are the contact personnel...” (p. 122) and that “contact people are the products” (p. 17). These roles afford contact people a unique opportunity to capitalize upon their considerable capacity to enhance customers’ control perceptions, increase their levels of satisfaction, and strengthen customer relationships.

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EMPIRICAL GENERALISATIONS IN MARKETING: AN IN-DEPTH ANALYSIS OF THE CONCEPT

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ABSTRACT

This paper is an attempt to define the concept of "empirical generalisation" (EG). The paper begins by discussing the ways in which one can define a concept. This information is used to arrive at a number of definitions of EG. Next, each of these definitions is scrutinised for "vagueness" and "ambiguity". Based on this analysis, a single definition is chosen and defended against existing definitions that can be found in the extant literature. The paper concludes with a discussion about the relevance of EG to marketing academics and practitioners.

INTRODUCTION

This paper is a beginning attempt to define the concept of "empirical generalisation" (EG). Although there is no standard way to define a term, texts in logic such as Copi (1982) and Manicas and Kruger (1976) provide useful introductions which can be adapted to define empirical generalisations.

Table 1 (column 1) lists the types of definitions or different ways in which one can define a concept. This information is used to arrive at a number of definitions of EG (Table 1, column 2). Next, each of these definitions is scrutinised for "vagueness" and "ambiguity". Based on this analysis, a single definition is chosen and defended against existing definitions that can be found in the extant literature. The paper concludes with a discussion about the relevance of EG to marketing academics and practitioners.

As mentioned earlier, the concepts of "vagueness" and "ambiguity" can be used to choose the best definition(s) from the set of definitions offered in Table 1. Ambiguity refers to a situation in which a term appearing in a statement may be used in different ways, depending on the context. On the other hand, vagueness refers to a situation in which it is difficult to give precise boundaries to a given term.

The lexical or dictionary definition of EG is: "facts inferred or derived from experiments". Clearly, the definition doesn't specify the precise boundaries of EG (it is vague). For example, should EG include multivariate relationships among concepts or be confined to bivariate relationships. Furthermore, the definition fails to emphasise the importance of the generality of the concept: that is, EG should apply to many people in many places. As regards ambiguity, the lexical definition may be interpreted in different ways by different specialists. To illustrate, statisticians call all kinds of observations "experiments". On the other hand, marketing researchers might label only true experimental designs: such as the Solomon four group design, as experiments. In summary, the lexical definition of EG fails to satisfy both the ambiguity and the vagueness criteria.

| TABLE 1 An exercise in defining empirical generalisations | |
|---|--|
| Ways in which one can define a concept | Application to task at hand: that is, defining empirical generalisations |
| Lexical: A definition that reports how a term is generally used in some language. In other words, a "dictionary" definition | The word "empirical", according to The Concise Macquarie Dictionary (1982), means "derived from or guided by experience or experiment". Similarly, the word "generalisation" means, "to infer from facts; bring into general use or knowledge". Thus, empirical generalisation can be defined as "facts inferred or derived from experiments". |
| Real: A real definition is a unique and unequivocal characterisation of an actual object. As Maniacs and Kruger (1976, 34-35) point out, a real definition for common salt would be: "Common salt is the body having the chemical composition Na Cl". | Because empirical generalisations are abstract linguistic expressions, they cannot be defined as real. |
| Stipulative: In stipulative definitions, an individual either gives a meaning to a new term or defines a known term in a more technical way. Stipulative definitions go beyond the "reporting" function of lexical definitions; they attempt to give a unique but justified explanation to a new term or to a fairly well-known term. | A stipulative definition of EG would be: For the purposes of this research, EG would be defined as a scientific explanation ¹ which specifies the rule of which the event in question is an instance. The rule will specify the degree or quantity of some state instead of merely with its presence or absence. It will read: C is a certain mathematical function of A or $C = G(A)$, with an observed error of estimate, u. |
| Ostensive: These definitions are made by "pointing" to an object or event. For example, the term "table" is defined by pointing to or indicating a table. | Empirical generalisation can be defined by pointing to, for example, the EG identified by Blattberg, Briesch and Fox (1995): 'advertised promotions can increase store traffic'. |
| Operational: Operational definitions specify a set of operations that one should employ to arrive at the meaning of a term. | An operational definition of EG would be: Empirical generalisation is a quantitative composite index ² based on multiple studies: that is, there are at least three articles by at least three different authors in which empirical research has been conducted in the specific area, and consistency: that is, the sign of the effect is the same in each of the articles (Blattberg, Briesch & Fox, 1995). |
| Note: 1 | Guthrie (1960) observes that scientific explanations must be the result of observations of cases: for example, A and C, and it should have been verified by further observation after it has been formulated. This is not to say that only the empirical then theory (EtT) approach (Ehrenberg, 1995) should be used to arrive at EG. In fact, as observed by Rossiter (1994), the initial observation could have been deduced from a conceptual model: referred to as the theory in isolation (TiI) approach by Ehrenberg (1994). |
| 2 | The composite index could be the sum of binary variables coded, for example, "1" to represent the presence or existence of a desired criterion and "0" otherwise. |

The stipulative definition (see Table 1) explicitly recognises that one should pay attention only to testable (hence falsifiable) propositions of the form "if A then C" in order to build empirical generalisations (Braithwaite, 1955; Skinner, 1953). While stimulus only or response only EGs can be constructed, their usefulness may be limited. For example, what use would an EG stating the 'presence of a marketing stimulus' be to practitioners if consumers' response to the stimulus is left unspecified. The stipulative definition clearly specifies the boundaries for EG: it is confined to propositions of the form "if A then C". This removes our "vagueness" concern about the definition. Would it be interpreted differently in different contexts or more specifically, would the meaning of EG differ, for example, among specialists functioning in different disciplines? We guess not. Scientists in most, if not all, disciplines should have little or no difficulty in understanding the term. One final technical aspect of the definition should be noted. The definition could also be called a precisising definition. In other words, the definition set limits or boundaries to EG, precisely.

The ostensive definition suffers from the drawback that one has to know what an EG is before one can point to it. Since individuals might set different boundaries to EG: for example, some might not consider stimuli only or response only generalisations whereas others might, the definition is vague. Similarly, operational definitions fail to inform the reader what a construct is or what it means. It is left to the reader to infer the conceptual definition of the construct from the set of operations that has to be employed to measure the construct. In other words, operational definitions do not address vagueness and ambiguity concerns.

DISCUSSION

The above analysis suggests that the stipulative definition of EG is the most appropriate conceptual definition of the construct (Table 1). Since construct measurement should follow construct explication, the following procedure is suggested for its measurement: a literature review to identify relevant papers on the topic (for example, the relationship between the constructs "consumer satisfaction" and "purchase intention"), categorising the papers based on their research designs (for example, experimental, and quasi experimental designs), and finally, assessing the extent to which the relationship has been stable across situations and methods. A procedure that could be used to examine relationships among constructs quantitatively is meta analysis (Farley, Lehman & Sawyer, 1995). Also, the initial step in the operational definition: that is, about the areas that should be scrutinised for empirical generalisations, could be addressed using the method suggested by Eliashberg, Lilian & Kim (1995). Note that it is the case of different situations which leads to generalisations.

How could we defend our conceptualisation of EG from other conceptualisations that could be found in the literature? Note that our definition of EG stood up to (or passed) the ambiguity and vagueness tests. Therefore, the first step in addressing the question is to analyse whether the competing definitions satisfy or "pass" the ambiguity-vagueness test. If none of the definition satisfies the criteria, then this in itself a demonstration of the superiority of our definition over others.

Consider Table 2. It lists some of the competing definitions that could be found in the literature. The search for definitions was restricted to two publications on the topic: the Marketing

Science special issue on empirical generalisation (Vol. 14, No. 3, 1995), and Laurent., Lilien, & Pras (1994) *Research Traditions in Marketing*. Table 2 categorises the definitions as to their types: lexical, stipulative, etc., and highlights the ambiguity and/or vagueness difficulties of the definitions.

| TABLE 2 Competing definitions of EG: An evaluation | | | |
|--|--|---|---|
| Definition | Type of Definition | Is it ambiguous | Is it vague |
| Any empirical observation which has been found to generalise (Barwise, 1995). | Ostensive: "points" to generalisations that may exist in the literature. | No. The terms, "empirical observation", and "generalisation" are presumed to be interpreted by all scientists, across disciplines, in a similar manner: that is, as results generated by employing the scientific method which tend to recur in different situations. | Yes. Doesn't specify the boundary for EG. For example, is the generalisation limited to "stimuli only" or "response only" observations. |
| Empirical generalisations is a pattern or regularity that repeats over different circumstances and that can be described simply by mathematical, graphic or symbolic methods (Bass, 1995). | Stipulative: Unique but justified: note that the definition was coined for the purposes of the conference. | No. Empirical generalisation is presumed to be interpreted by all scientists, across disciplines, in a similar manner: that is, as results generated by employing the scientific method which tend to recur in different situations | Yes. Doesn't specify the boundary conditions (see the comments for Barwise, 1995). |
| The same result has been observed under different circumstances (Ehrenberg, 1995). | Leans toward operational definition: look for results that have been repeated under different context(s) | Yes. It may or may not be interpreted as generalisation arising out of scientific research | Yes. Doesn't specify the boundary conditions (see the comments for Barwise, 1995). |
| Note: Most researchers tend to use Bass's definition of EG. This is particularly true for papers on the topic that appeared in <i>Marketing Science</i> , Vol. 14, No. 3, Part 2 of 2, 1995. | | | |

Table 2 suggests that all the definitions are vague and one definition is both ambiguous and vague. In summary, the conceptual definition of EG that we offer (see Table 1, stipulative definition) appears to be a better definition for generating EGs at least in marketing, and hopefully, in other disciplines as well.

CONCLUSION

An academic in the early stage of his or her career may regard the growing emphasis on generalisations as an opportunity to replicate seminal studies and thus increase his/her research skills and hopefully, journal publications. In addition, academics in general should use marketing generalisations as the launching pad for their research. As aptly observed by Lilien (1994), it is silly to analyse data on sales response to price changes, for example, and ignore the hundreds of studies that have analysed price elasticities. Most of all, since confusion in theory means confusion in practice (Skinner, 1953), academics should aim for developing a science of marketing: that is, generalisable theories. Finally, it is highly likely that EGs in marketing are situation specific. For example, in their discussion of the concept of service quality, Rust et al. (1996) argue that it is not possible to identify a set of universal service quality dimensions. In this case, marketing academics may have to generate generalisable contingency theories to assist marketing practice.

As regards the question, "how should marketing managers regard empirical generalisations?" As an opportunity to gain competitive advantage even if it is only transitory. To illustrate: assume that an EG states the market response to a particular marketing mix. A firm which adopts this EG first, will gain the most advantage. This argument is in line with the contention that commercial rewards will go to those who adopt innovation sooner. Also, EG could be viewed as a defensive tool to avoid market share erosion. Specifically, it is wise for a firm to assume that competitors' will adopt the EG, hence adopt the EG itself in order to minimise the risk of losing shares to competitors. Finally, it should be remembered that EGs are not laws of nature. They can be altered by intervention. The theory(s) explaining the EG will reveal how the change can be accomplished.

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THE NEW PARADIGM OF DIRECT MARKETING RESEARCH: NOT THE OLD OR THE NEW, BUT A MERGING OF THE TWO

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ABSTRACT

Many practitioners, academics, and students have difficulty in understanding how the old and the new paradigms of marketing research techniques (classical statistic versus practitioner models) and data types (aggregate vs. customer level) can be merged to yield synergistic results. In part, differences in approaches may have been caused by the differences in the educations and work histories of researchers.

This paper describes the philosophical differences between customer and aggregate (market) level databases and the differences in uses of the two types of databases. It then describes a customer level database model called recency/frequency/monetary (RFM) to demonstrate how research methods may be merged to improve modeling.

INTRODUCTION

The misuse of modeling techniques is of particular importance in contemporary marketing as more and more companies enter the world of new types of distribution channels, e.g., the Internet, while continuing to use their historically used channels. As their marketing research departments begin to collect and analyze customer-level data, many traditional researchers continue to blindly mine the tremendous amount of data available using the traditional modeling and statistical techniques they have used in the past to analyze market-level data. At the same time, those who have used and mined customer-level data have continued on in their same path, not really networking and learning from the previously more traditional marketers...not learning and using, in particular, the more traditional statistical techniques used in mass marketing to increase the quality of the predictions of their customer-level models.

CUSTOMER- VS. MARKET-LEVEL DATABASES

The primary philosophical difference between customer and aggregate (market) level databases is the hierarchical level at which data is captured, stored, and analyzed. This difference in analysis level allows different types of strategies to be researched and executed. Either a customer- or market-level database may be configured/divided in a number of ways: by geographical

area, by market, by product line, by demographics, etc. But only a customer level database can be configured/divided on those types of criteria down to the individual/ household or business level.

For example, Table 1 depicts a set of hypothetical business information that could be extracted from any business's accounting system. Assume that the company does not have a customer level database. With sales and number of transactions ("cash register rings") information, the company is only able to calculate average transaction size. But with that information, it is unable to determine the number of times *each* customer purchased. Without the knowledge of how many times each customer purchased, and the specific amounts spent by each customer, it must, more or less, treat all customers overall or within any subdivision/market segment as being equal.

| | |
|---------------------------------|-------------|
| COMPANY'S YEAR 2000 SALES | \$1,000,000 |
| NUMBER OF CUSTOMER TRANSACTIONS | 10,000 |
| AVERAGE TRANSACTION SIZE | \$ 100 |

Granted, it can target customers who can be logically assumed or have been shown by research to purchase in larger than average quantities, e.g., large families, through various mass media choices, versioned copy, and/or targeted offers. It can target larger geographical sales areas more or differently than smaller sales areas. But it is unable to target its best/highest revenue customers only, more often, with more targeted offers using version copy advertisements that are exposed to them directly through a variety of individually selected media (mail, telephone, interactive TV, or the Internet) with no waste circulation.

With a customer level database, several types of information are captured and stored by customer. The major types of information captured are: list, transactional, demographic, socioeconomic, psychographic, lifestyle, and behavioral data. Transactional data is the type of database information that is used in RFM analysis. For each transaction, the transactional data captured includes: item(s) purchased (including quantities by item) recorded by product line (and/or SKU/UPC), purchase date, item price(s), and total dollar amount. Depending on the types of data that will be used for research or query, the following additional types of data may also be collected: method of payment (open account, bill me, cash on delivery, check, money order, credit card, etc.), media code (records specific offer, medium, and copy responded to), and the mail order facilitator used to place order (mail, telephone, facsimile machine, or via an electronic mode: interactive TV, the Internet, kiosk, from a specific retail store with a POS scanners, etc.).

The transactions data describing purchases ordered by mail, fax, and in some cases those that are electronically transmitted, are batch entered into the database. Data describing other orders placed electronically are electronically transferred to the database, as well as most electronically scanned purchases. Data describing purchases ordered by telephone are entered during the ordering conversations by the telemarketers.

THE BASICS OF RFM (RECENCY/FREQUENCY/MONETARY ANALYSIS)

RFM will be the model used to demonstrate how models can be misapplied on the basis of either logic or statistics. An RFM model, using customer-level data, is used to develop "scores" for current customers. The scores, based on each customer's recency, frequency, and total dollar purchases over some specific time period, represent the relative value of each customer to the business. The scores are then typically sorted in descending order and deciled. Different strategies and tactics for each decile or small group of deciles are then designed and tested to enhance the value of each decile or group.

But many of the models used by direct marketers are comprised of rules that are heuristic. While the models do fairly well in predicting performance by decile, in many ways they lack a scientific research methodology and/or quantitative rigor. This research will apply a more disciplined quantitative approach toward RFM modeling, to demonstrate how the typically heuristic practitioner approaches can be improved.

As a hypothetical example, Table 2 depicts partially summarized transactional information for all of the purchases made by each of two customers over a five-year period.

| TABLE 2 | | |
|-----------------|---------------|--------------|
| CUSTOMER NUMBER | PURCHASE DATE | TOTAL AMOUNT |
| 1 | 8/2/97 | \$4600 |
| 1 | 8/2/98 | \$100 |
| 1 | 8/2/99 | \$100 |
| 1 | 8/2/00 | \$100 |
| 1 | 8/2/01 | \$100 |
| TOTALS | F=5;R=8/2/01 | M=\$5000 |
| 2 | 8/2/97 | \$1000 |
| 2 | 8/2/98 | \$1000 |
| 2 | 8/2/99 | \$1000 |
| 2 | 8/2/00 | \$1000 |
| 2 | 8/2/01 | \$1000 |
| TOTALS | F=5;R=8/2/01 | M=\$5000 |

Table 2 would represent the report of a situation where all sales, regardless of product type, were summarized or recorded by total sale per transaction. As one can see, although the transactional patterns of the two customers differ, their individual R, F, and M components are "the same" over the five-year period. However, most marketers reviewing this data would correctly indicate a preference for customer # 2, because of the consistency of his/her purchases over time.

Thus, one mistake researchers make is understanding the marketing concept upon which a model is based, but not correctly modeling the concept.

With respect to the RFM model, two principal marketing concepts are being modeled with the term “recency”:

direct marketing research consistently shows that the more recently a customer has purchased, the higher the probability will be that he/she will purchase the next company offer to which the customer is exposed.. The majority of email and postal mailing list owners and renters subscribe to the literal concept of recency when renting lists. Most list owners allow renters to select “Hot Names” only. Hot Names are the names of those on the list who have purchased within the last 12, 9, 6, or 3 months. But if a renter purchases only Hot Names, it must be done at successively higher costs over the basic list cost per thousand. That concept is embodied in the literal interpretation of “recency”.

the concept that is missed in the literal concept of “recency” is the consistency of the customer's purchases over time, as described in the previous paragraph. In fact, in RFM modeling, “recency” is not only intended to be interpreted literally. Recency is not only "the number of days/months/quarters/etc. ago” since the last purchase was made. It is to be modeled to also include the concept of the consistency of purchases over time.

The manner in which it is incorporated into an RFM model so as to include both marketing concepts is addressed in the following section.

A BASIC RFM MODEL

Examples of basic RFM models, and how scores are calculated are shown in several beginners-level direct marketing textbooks (Baier, 1996; Baier, 1983; Hughes, 1991; McDonald, 1998; Roberts & Berger, 1999; Stone, 1997; Stone, 1994; Schmid & Weber, 1997; Shepard, 1990). A “typical” RFM/model formula in Stone (1997) is shown in Table 3.

| | |
|-----------------------|---|
| Recency points: | 20 points - if within past 3 months 10 points - if within past 6 months 5 points - if within past 9 months 3 points - if within past 12 months 1 point - if within past 24 months |
| Frequency points: | number of purchases within 24 months x 4 points each (maximum = 20 Points) |
| Monetary points: | dollar volume of purchases within 24 months x 10% (maximum = 20 points) |
| Weighting assumption: | Recency = 5 Frequency = 3 Monetary = 2 |

The following statements by Stone (1994, 41) about an almost identical model are overly optimistic in my opinion:

“The number of points allotted varies among those using RFM formulas, but the principle is the same. Once the system is established and point values are assigned, the opportunities for maximizing profits are enormous...once the RFM point system is computer-programmed, producing a monthly update is a simple matter...[the following table (Table 4)] shows what a hypothetical partial printout might look like for a representative group of accounts.”

| TABLE 4 | | | | | | |
|----------|----------|---------------------------------|-----------------------------------|----------------------------------|-----------------------|---------------------------|
| Customer | Purchase | Recency (Months) | (RP) Recency Points | Frequency | (FP) Frequency Points | Monetary |
| A | 1 | 3 | 20 | 1 | 4 | \$30 |
| A | 2 | 9 | 5 | 1 | 4 | \$100 |
| A | 3 | 24 | 1 | 1 | 4 | \$50 |
| B | 1 | 12 | 3 | 2 | 8 | \$500 |
| C | 1 | 3 | 20 | 1 | 4 | \$100 |
| C | 2 | 9 | 10 | 1 | 4 | \$60 |
| C | 3 | 12 | 3 | 2 | 8 | \$70 |
| C | 4 | 24 | 1 | 1 | 4 | \$20 |
| Customer | Purchase | Weighted Recency Points: RP x 5 | Weighted Frequency Points: FP x 3 | Weighted Monetary Points: MP x 2 | Total Weighted Points | Cumulative Points (Total) |
| A | 1 | 100 | 12 | 6 | 118 | 118 |
| A | 2 | 12 | 12 | 20 | 57 | 175 |
| A | 3 | 5 | 12 | 10 | 27 | 202 (202) |
| B | 1 | 15 | 24 | 40 | 79 | 79 (79) |
| C | 1 | 100 | 12 | 20 | 132 | 132 |
| C | 2 | 50 | 12 | 12 | 74 | 206 |
| C | 3 | 15 | 24 | 14 | 53 | 259 |
| C | 4 | 5 | 12 | 4 | 21 | 280 (280) |

Bob Stone (1997, 30) continues his explanation by stating:

In this hypothetical example, three customers (identified as A, B, and C) have a purchase history calculated over a 24-month period. Points are assigned to each transaction, according to a historically derived RFM formula exclusive to this organization. Further weighting is given to recency of purchase (times 5), frequency of purchase (times 3), and monetary value of purchase (times 2). Thus, on a scale of 10, recency is weighted at 50 percent, frequency at 30 percent, and monetary at 20 percent. The resultant scores -- 202 for A, 79 for B, and 280 for C -- indicate a potential preference for customer C. Based on C's RFM history, a greater number of promotional dollars could be justified...While recency of purchase has been given the greatest weight in this hypothetical example, each organization must determine through its own analysis the factors that influence purchases. As a rule of thumb, however, the buyer who has purchased most recently is the one most likely to buy again.

The conclusion to the argument concerning the meanings of recency and how it can be modeled to include both the literal and the consistency of purchasing concepts follows. As a professor of direct marketing and someone who is interested in customer level database mining, the pitfalls in understanding the model are obvious. I have given numerous presentations concerning a wide variety of marketing and direct marketing analytical tools. When talking about RFM to marketing and/or direct marketing researchers, I always ask the question: "When calculating recency, how many of you calculate it by in some way analyzing and weighting the dates of customers' last purchases by the amounts of time since they were actually made...by the number of days, weeks, months, quarters, years, etc...in some way?" Always, 90-95 percent of the audiences' hands go up.

Then I ask the next question: "Do you include any purchases other than the last purchase in your calculation of recency?" About five percent of hands go up. Researchers are taking the word "recency" literally. By using ALL of each consumer's purchases made during the time period used to calculate scores, the analysis incorporates both the last (or most recent) purchase weighted more heavily (the literal interpretation of recency) and all other purchases to include the historical patterns of purchases (the consistency interpretation of recency).

The other areas of concern to a statistician are the arbitrary rules of practitioner RFM models. These rules can lead to capricious groupings of customers (the deciles) to be used as the bases for determining marketing strategies or tactics. But, believe it or not, many companies use RFM models without much validation, and most are very similar to the "typical" RFM model just described. Also, other transactional variables may better predict future short run consumption. Bob Kestnbaum adds a "T" to the formula, which stands for the Type(s) of products or services purchased. His model allocates different amounts of points for different types of products and services purchased. Not only does he add a "T", but he also weighs it more heavily than R, F, or M. In my opinion, those "typical RFM models used just are crying for an answer to the question, why use "points" or "scores" at all?

OBVIOUS LIMITATIONS TO THE MODEL

As a person who both understands direct marketing well, and statistics fairly well, there are definitely some glaring limitations to the types of models being used to predict customer rankings. This section of this report will review the assumed reasons why perhaps heuristic rules have been entered into RFM models, and why they should be eliminated from such predictions. The concerns in the previously discussed “typical” RFM model are in the five following areas:

Concern # 1: Constraints on maximum values.

The model constrains the maximum total points for both frequency points and for monetary points to 20. A text that explains a very similar model justifies the ceiling on monetary points by stating that the “ceiling avoids distortion by an unusually large purchase”. Stone (1997, 41). The constraint on total monetary points does not necessarily do that. Given that the model gives 1 point per each \$ 10 of goods purchased, the limitation sets in when \$ 200 worth of goods have been purchased. Could not 2 different customers make 5 purchases which would keep both at the frequency maximum points of 20, have similar or identical total recency points, and still clearly be different with respect to monetary points without one of them having made an unusually large purchase? What if customer # 1 has 5 purchases averaging \$ 40, and customer # 2 has 5 purchases averaging \$ 80? Both would receive 20 monetary points, although, from a monetary point of view, customer # 2 is clearly the superior customer. The same type of argument could be used for the cap on total frequency points. And if a constraint would be justified for some purpose, there is no reason to believe it should be 20, as opposed to some other numerical cap. At this point in the experimentation with the model, such constraints serve no purpose. They merely distort the data for no known legitimate purpose.

If there may be data outliers (as could occur with a variable such as cumulative purchases over time), then it would be better to analyze the raw data and adjust them as raw data, rather than to automatically build such a check into the model based on total monetary points, as is done in the basic model being used.

Concern # 2: Weighting All Values of an Individual Variable Equally

Weighting all values of an individual variable by multiplying each observation of the data of that variable by a constant (in this model recency by 5, frequency by 3, and monetary by 2). In an additive model such as this model is, total points of recency, frequency, and monetary are simply added to arrive at the total customer scores for each variable by year. They are then summed by variable to arrive at total recency, frequency, and monetary points for each customer over the entire time period being analyzed. Those multiplications do change the relative importance of each variable in the determination of the total customer score in an additive model, where the total score by customer is determined by adding the sums just computed for each of the three

variables...recency accounts for five times the points as it would have prior to having been multiplied by 5. Likewise, frequency counts as three times as many points, and monetary two times as many points. In that way, it changes each variables' relative importance in the determination of the total score of each customer.

The same is true with respect to the multiplication of all of the frequency observations by four and all of the monetary observations by 10 % in another portion of the model. However, in that case, the same affect could have been achieved by merely not multiplying either variable by anything, reducing the frequency cap from 20 to 5, and increasing the monetary cap to \$ 200. The problems with caps have already been discussed in Concern # 1 above. In a multivariate analysis, which will be used to analyze this data, the multiplication of all variables will make no difference on the relative rankings of the customers' values or scores within each variable. The multiplication does not change the relative rankings between customers for frequency or monetary, as all values in each variable have been changed proportionately by the same amount. But it will change the coefficients of the multiple regression equation derived. This can lead to confusion, in that, in this example, the coefficients show the relative importance of recency, frequency, and monetary by year, and therefore can be misinterpreted. In multivariate statistics, the relationships between the predictor variables and the dependent variable actually determine coefficient weights based on the data itself. The weights calculated by the statistical procedure actually become the coefficients of the predictor variables in the mathematical function derived from the data.

Concern # 3: Time Limits on Months

Time limits with respect to number of months ago each purchase was made...only purchases made within the past 24 months have all their frequency values weighted by four and all their monetary values weighted by 10 %. Eliminating this constraint was done for the following reason. The time constraints would not represent the data being analyzed. The "typical" RFM model being used as a benchmark in this research contained only 2 years of data. The data which will be analyzed in this research contains 3 years of data to predict a 4th year of known data for validity purposes.

Concern # 4: The Arbitrary Groupings of Raw Data (months).

In the grouping of months, information is lost. For the purpose of explaining this obvious limitation to the model, assume that the points assigned for each grouping are appropriate (The points assigned to the groupings are discussed as my next concern, Concern # 5). To show the loss of information caused by grouping, in this case by grouping months together, consider the following example: a customer who purchased 3 months ago receives 20 recency points for that purchase. Someone who purchased 3 months and one day ago receives 10 points, as does someone who purchased 6 months ago.

If data is grouped by year, even more data is lost. However, on the other hand, a data set that defines time too finely can enter more needless noise into the equation than explanatory power. Of course, if the problem being addressed is a queuing problem to address staffing an airline ticket counter, time frames may be 15 minutes. But when projecting annual sales, weeks or even days may weaken forecasts by increasing error levels.

Concern # 5: The Values Assigned to the Month Intervals

There is probably essentially no basis in these models for those specific point values. Other similar models have values quarter by quarter where the relationships between the values, and the absolute values are different for different models. Another text has an example very similar to the “typical” RFM model used in this article, but it’s weighting values are 3, 6, 9, and 12 from the most recent quarter to four quarters ago. Again, the data should be used to allow the statistical technique to determine the weightings.

The weaknesses with the “typical” RFM models are clear. I have talked to individuals employed in many companies that use such models with few if any changes, and seen with my own eyes many other companies that use them. My suspicion is that practitioners keep changing the model to fit the desired output, rather than allowing the data to design the model (determine its coefficients, etc.) and then testing the model against split samples or holdback data to see how well it can explain the data.

THE RESEARCH QUESTION AND METHODOLOGY

The research question to be addressed by this research is the following:

Can the use of traditional statistics increase the accuracy of prediction of the practitioner’s RFM model in determining the group in which a customer belongs (in this research, the top 20% of customers versus the bottom 80%).

A medium size business-to-consumer cataloger donated the data used for this research. An ⁿth name sample of 10,000 active customers (defined by the company as customers who had purchased at least once in the last three years, 1997-1999). Most of the types of transactional data captured from the company’s customer-level database used were of the nature of those discussed in the previous section (“A Customer vs. a Market-level Database Section”). Other customer-level data, such as the number of days, months, and years prior to December 31, 1999, were calculated for each purchase for each customer from the original data. The accounting department retrieved monthly cost of goods sold for all SKUs sold during the four year period, required for the calculation of unit gross profits. This research was conducted in 2001. The 1997-1999 transactional data was used to predict the customers who would be in the top two deciles of customers in the year 2000. It is in essence designed to examine the 80-20 principle, using an RFM model. The final set of

information retrieved was year 2000 sales by customer and costs of goods sold (from which unit gross profit was calculated for each purchase) by customer for those 10,000 customers. The mathematical technique used was discriminant analysis. The sample was randomly split into two sub-samples. Sub-sample_a has a sample size of 8000, and was used to develop the model. Sub-sample_b has a sample size of 2000, and was used to validate the model. But there was one additional requirement in the sample selection process. Theory and research tells me that the most important sale for a company is not its first sale, but its second, which is particularly true in direct marketing. In mail order in particular, the customer makes the first purchase solely on the basis of trust. In the vast majority of cases, the prospective customer makes that purchase without ever having known an employee of the company and without having ever seen an asset owned by the company. In many cases, this would even include not ever having seen, touched, tasted, smelled, etc. the product being purchased. The prospect has been exposed to advertisements that have explained the product and its benefits, and the total offer. The prospect must truly make a leap of faith. Based upon the degree to which the realization of that trust is actually fulfilled, the customer then decides whether or not to truly form a relationship with the company by making future purchases.

Because customers with only one purchase have not yet indicated having made that leap, he/she has not yet exhibited a desire to truly form a relationship with the company. Because of their short, one time history with the company to-date, all such one time “active customers” were excluded from the sample. NOTE: each individual observation, before it was pulled to be an observation in the sample, went through a special check to determine if the customer about to be pulled had only one purchase in the years 1997-1999. The check was to determine if that one sale was his/her first sale. The database has 8 years of customer information. If the purchase was the customer’s first, that person was ineligible for the sample.

THE ANALYSIS

The First Analysis used the “traditional” RFM model previously described. Point values were determined for each purchase, and were added over the two years to determine each customer’s score. The “typical” RFM model scores were then sorted in descending order. The customer numbers of the top 1600 scores (20 %) were then compared to the customer numbers of the actual top 1600 (20%) known year 2000 customer sales. The “Typical” RFM model predicted 57.9 percent of sub-sample # 1 into the two membership groups.

Although any scoring model is in no way a universal model, the use of the previously described “typical” RFM model does give a starting target to beat, albeit a low-level one. This is because any RFM model has been designed, redesigned, and further tweaked by a research analyst to better rank a particular company’s customers, given its industry, given its position, given its competition, given its product mix, given its offers, etc.

The Second Analysis consisted of running a step-wise discriminant analysis, using customer-level raw data to develop a model. The data run in the discriminate analysis was the following:

Recency Predictor Variables – R_{1997} , R_{1998} , R_{1999}
 Frequency Predictor Variables – F_{1997} , F_{1998} , F_{1999}
 Monetary Predictor Variables – M_{1997} , M_{1998} , M_{1999}
 Gross Profit Predictor Variables – GP_{1997} , GP_{1998} , GP_{1999}

Dependent variables:

Monetary – M_{2000}
 Gross Profit – GP_{2000}

The predictor variables were computed for each customer as follows:

Recency for each year is the number of months between December 31, and each purchase date. Purchase month was rounded at mid-month.

Frequency for each year is the number of purchases made during the calendar year. Each purchase was counted as a one.

Monetary for each year is the dollar purchases made during the calendar year. Cents were not rounded.

Gross Profit for each year is the dollar purchases – cost of good sold for each purchase made during the calendar year.

The dependent variables were computed for each customer as follows:

M_{2000} is the dollar purchases made in 2000

GP_{2000} is the dollar purchases – cost of goods sold for each purchase made in the year 2000

The First Analysis developed a model using the recency, frequency, and monetary as predictor variables developed above to predict year 2000 monetary. The equations developed are shown below:

UNSTANDARDIZED CANONICAL DISCRIMINANT FUNCTION COEFFICIENTS

| | FUNC 1 | FUNC 2 |
|------------|------------|------------|
| R_{1998} | -.2516D-02 | -.9406D-02 |
| R_{1999} | -.3651D-01 | .5493D-01 |
| M_{1998} | .8988D-02 | .0084D-01 |
| M_{1999} | .4712D-01 | .6897D-01 |
| Constant | -1.9776 | -1.1137 |

The RFM model correctly predicted 87.6 percent of sub-sample # 1 into the two membership groups. It is interesting to note that for this particular company's customers, none of the three frequency variables stayed in the equations, perhaps because they are somewhat imbedded in the monetary variables retained. It is also interesting to note that the data three years out were not maintained in the equations either. When the model was use to predict the year 2000 sales on sub-

sample # 2 to validate the model, it correctly predicted 89.0 percent of sub-sample # 2 into the two membership groups.

The Second Analysis, using the same methodology and data, used recency, frequency, and gross profit to predict year 2000 gross profits. This “RFP” model correctly predicted 82.2 percent of sub-sample # 1 into the two membership groups. While a significant improvement over the typical RFM model, it was only able to correctly predict only 80.8 of sub-sample # 1 into the two membership groups. Either my theory about replacing monetary with gross profit as a way to include the affects of customers purchasing different product mixes is flawed, or it is irrelevant in this case.

OTHER COMMENTS ABOUT THE USE OF RFM

In my presentations about RFM to practitioners, I ask another question: “How many of you validate the accuracy of your RFM predictions. Usually slightly less than half indicate they validate their models at all. I then ask, “For those of you who do validate your models, how do you validate?” Always, one of the first statements made is something like: “We have 100 accuracy because we model the entire database.” But basically, it seems that a large number of companies just do not validate their RFM models.

In that same vein, some companies, after ranking their customers on the basis of RFM, will take, for example, the top 20 % of their customers and increase the percentage of their advertising budget spent on those customers. They might mail them a couple of extra catalogs or make a couple of extra telephone calls during the next year because those customers are their most valuable ones, and they can therefore afford to expend greater efforts on them. The problem with that execution strategy is that at the end of the year the company has no basis of comparison for the top 20 % group. What should be done is that companies that change their strategies based on RFM analysis should hold back a random, stratified percentage of the change group as a control to use as a benchmark for analytical comparison purposes. And in many cases, the smaller of the two groups (the test group and the control group) will initially be the test group.

Just as there is no universal RFM model, any particular RFM model will not hold over time as being the “best” predictor of a future year’s best and/or worst customers. The model should be reanalyzed periodically to determine if changes can better the predictions of the current model. Companies customer bases change constantly, as does the environment in which they operate. Therefore, it must be realized that its “best” predictor RFM model would be expected to change over time.

SUMMARY

It appears that the predictive powers of RFM can be greatly enhanced by the use of more powerful research methodologies and statistical tools. The model developed here seems to have proved that, although the benchmark used was relatively weak. Given the large sample size and

what I would consider to be a high level of predictability, the answer to the research question is “yes”, the use of traditional statistics can increase the accuracy of prediction of practitioner RFM models.

More importantly, the research shows that as more and more marketers move toward understanding the “new marketing”, more and more of the walls that currently separate marketing interest groups to must be climbed or broken down to generate synergies that await us. The learning, sharing, and merging of new and old techniques and methodologies can yield nothing but vastly improved teaching, learning, and execution of marketing. I hope I have begun that process by sharing this with you.

LIMITATIONS TO THE STUDY AND SUGGESTIONS FOR FUTURE STUDY

There are some limitations to this study. First, some could correctly argue that perhaps other types of statistical techniques such as those used in sophisticated time series analysis or even multiple regression could further improve RFM models. For some reason, and I cannot explain why statistically, discriminant analysis seems to work better for RFM. I did run a multiple regression on the data, using the same variables and general methodology as in the First (discriminant) Analysis. The regression R^2 was .853, whereas the stepwise discriminate analysis was able to correctly classify 89.0 of the cases. By using stepwise discriminate analysis, some of the co-linearity problems are eliminated or lessened. Also, the distributions, particularly frequency and monetary, were not normal with respect to their heterodasticity.

Second, this is the first research article I have seen in this vein. The idea was stimulated by only a couple of lines in two professional trade journal articles (Shepard, 2001; Shepard, 2001). I believe the time is ripe to explore many other types of statistical modes of analysis, perhaps using this article as the benchmark to beat.

Finally, there are many other variables that can be brought to bare with respect to being able to identify a company’s best/or worst customers. Customer database miners have almost universally found that transactional data works best in predicting sales... actions and activities speak louder than attitudes, interests, and opinions. Even in this research, I did not use the tens of other transactional variables which themselves may shed light on better ways to segment customers based on their value to the firm.

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INCREASING RESPONSE RATE IN INDUSTRIAL MAIL SURVEYS: THE EFFECT OF RESPONDENT INVOLVEMENT IN SWEEPSTAKES INCENTIVE

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ABSTRACT

The purpose of this paper is to investigate the effect of respondent's involvement in sweepstakes on response rate of industrial mail surveys. Two sets of questionnaires with different sweepstakes rules (high-involvement and non-involvement) were sent to two samples (935 each) of automobile tire replacement dealers to compare response rates. The questionnaire included questions about their relationship with suppliers. The test results shows that respondent involvement in sweepstakes significantly improves response rate, thus producing lower nonresponse error. Involvement is also found to reduce the response error.

INTRODUCTION

One of the problems facing industrial marketers collecting primary data via mail surveys is that such research procedures suffer from low response rates which affect nonresponse errors. Historically, industrial mail surveys have been criticized for inadequate response rates, which are usually lower than both telephone and face-to-face modes. In spite of lower cost and wider coverage of subjects, low response rates of mail surveys make data analysis difficult and restrict generalization of results (Suchman, 1940; Toops, 1926).

Recently, considerable research has been devoted to developing techniques to improve mail survey response rates. Farrell and Elken have suggested that five main variables of survey design have impact on the response rates: contact, incentive, reward, length, and prose (Farrell, 1994). The difference in color of survey stationary has been also tested in terms of response rates (Greer, 1994).

Sweepstakes as Incentives

Sweepstakes have been popularly used as a form of incentive to respondents. A number of studies (e.g. Balakrishnan, 1992) have tested the effectiveness of sweepstakes, and found that prize

giveaway sweepstakes are cost-effective in increasing response rates. When a survey involves a very large sample, sweepstakes are considered more cost effective to increase response rate than other approaches such as pre-notification, follow-up contacts, and monetary incentives (Fox, 1988; Greer, 1994; Kanuk, 1975; Linsky, 1975 & Scott, 1961).

Involvement

According to McKee (McKee, 1992), sample respondents who are involved with the survey topic are more likely to respond. Respondent involvement can be stimulated by appealing to personal interest, perceived importance, or expected benefit. Respondents who have high interest in the survey topic are almost twice as likely to participate, and also are less likely to omit questions (Martin, 1994). Similarly, a high correlation has been reported between subject involvement and their motivation to participate (Lord, 1994). Thus, there exists ample evidence indicating that surveys designed to stimulate respondent involvement will produce higher response rate. This extant research has examined the effect of respondent involvement in subject matter or content of survey on response rate. There has been no extension of these findings to examine the effect on response rate of respondent involvement in the incentives used in industrial mail surveys.

Sweepstakes with involvement

It is very difficult to assure that a survey is designed to appeal to the interests of all potential respondents in a large sample. Limiting the mail survey to those who are interested in the survey topic is not practical, either. One way of increasing respondent involvement is to make the survey more interesting and attractive by using incentives, sweepstakes being one of the popular methods. As mentioned earlier, sweepstakes are cost effective, and their effectiveness can be enhanced if they are combined with ways to increase respondent involvement. Since effectiveness of direct mail has been found to be increased when creativity is combined with other incentives (Offitzer, 1994), it should follow that if a mail survey combines sweepstakes with creativity to increase respondent involvement, its response rate would be higher. Although past studies have confirmed the effectiveness of involvement and sweepstakes separately, the idea of combining involvement with sweepstakes has not been empirically tested.

This paper examines the idea that respondent involvement in sweepstakes increases response rate of mail survey by inducing a high level of initial interest from respondents. A new approach of high-involvement sweepstakes is developed and tested with a control group presented with conventional non-involvement sweepstakes. Our objective is to empirically test whether creative and slightly more complicated sweepstakes produce higher response rate than simple conventional sweepstakes. Section 2 explains the research procedure including survey design and sampling, and it is followed by data analysis in Section 3. Findings are discussed in Section 4, and concluding remarks are in Section 5.

METHODOLOGY

Sampling

A nationwide random sample of 1,870 automobile tire replacement dealers from a yellow page listing service was drawn on an n-th name basis. Since yellow page lists are alphabetically arranged, in order to avoid over-representation of similar names, the list was first sorted by the second letter of dealer names, and then n-th name basis systematic sampling was performed. The whole sample was then divided into half (935 each), and two identical sets of surveys but with different sweepstakes rules were sent to each group. A sample with involvement sweepstakes is the test group, and the other sample with conventional sweepstakes is the control group. From here on, control and test groups will be used to identify each sample.

Sweepstakes

While conventional sweepstakes typically use a random drawing of the winners from the respondents as shown in Exhibit 1, the rules for involvement sweepstakes of this study ask respondents to select a prize of their choice from a list of available prizes.

| EXHIBIT 1 Conventional Sweepstakes | | |
|---|----------------|--------------------|
| In an appreciation for your participation in this study, we are going to enter your name in a sweepstake to give away the following golf clubs as prizes. The first 5 picks will receive the Grand Prize, and the following 3 groups of 5 winners will receive the 1st to 3rd Prizes. | | |
| Place | Prize | Quantity Available |
| Grand Prize | #1 Wood Driver | 5 |
| 1st Prize | #1 Iron | 5 |
| 2nd Prize | Putter | 5 |
| 3rd Prize | Sand Wedge | 5 |

The respondents of the test group are informed that their chance of winning depends on how many other respondents pick the same prize. This cue is intended to enhance respondents' involvement in the sweepstakes process. This is achieved by making respondents actively go through a decision making process in which they evaluate their chances of winning. By noting that their chances of winning depend on their own decision making, their interest and enthusiasm, and hence involvement, in the sweepstakes is made high. Exhibit 2 shows the sweepstakes with involvement.

| EXHIBIT 2 Sweepstakes with Involvement | | |
|--|--------------------|--------------------------|
| In an appreciation for your participation in this study, we are going to enter your name in a sweepstake to give away the following golf clubs as prizes. You are asked to choose one of the prizes in the table below, and your chance of winning depends on how many other respondents pick the same prize. For example, if only 5 respondents pick #1 Iron (Choice 2) each automatically wins the prize without drawing. If more than 5 pick the same prize category, winners will be decided by random drawing from respondents who pick the category. | | |
| Prize | Quantity Available | Please mark your choice. |
| #1 Wood Driver | 5 | |
| #1 Iron | 5 | |
| Putter | 5 | |
| Sand Wedge | 5 | |

Twenty golf clubs of four different kinds were offered as sweepstakes prizes to each sample. The decision to offer golf clubs as prizes was made after conducting a pilot study of 22 managers or owners of tire dealers in a major Midwestern city in the U.S.

Data Collection

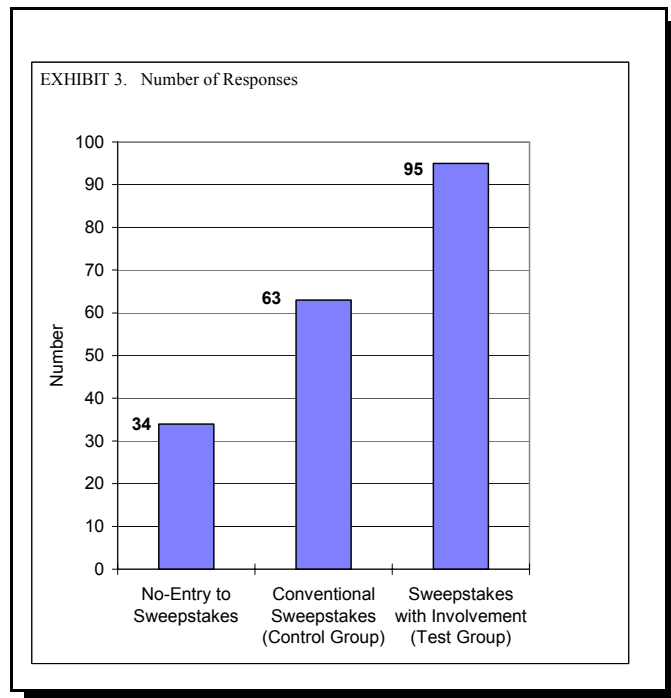
One hundred and ninety-six (196) questionnaires were returned in three weeks after the mailing. Four of them were unusable, therefore, 192 responses are used in data analysis.

Exhibit 3 shows the number of responses in each group. Some respondents who completed the survey did not return the cover letter which was required to make them eligible for sweepstakes entry. These respondents are categorized as 'no-entry' group. This no-entry group is excluded from the nonresponse error analysis.

ANALYSIS

Response Rate

To investigate the difference between the two groups with different sweepstakes rules, a simple t-test was performed. The result shown in Table 1



indicates that the test group produced a significantly higher response rate and lower nonresponse error than the control group. Even though the overall response rate was 10.3%, which is about the average for industrial mail surveys, the result of this study is intriguing because the difference in response rates between two groups is statistically significant.

| | Conventional Sweepstakes (Control Group) | Involvement Sweepstakes (Test Group) |
|---------------|--|--------------------------------------|
| Sample Size | 935 | 935 |
| Responses | 63 | 95 |
| Response Rate | 6.73 % | 10.16 % |
| p-value* | 0.0039 | |

*one-tail t-test for difference of response rates between two groups.

Response Error

Since missing values are a major source of response error, the number of cases that have missing values is used to measure the error for each group. Table 2 shows response errors of each group and the comparison between control and test groups. It is found that the test group has a significantly lower response error than the control group. In other words, respondents with involvement in sweepstakes are less likely to omit questions. This result is consistent with Martin's study (Martin, 1994) of response error and respondent involvement in survey topic.

| | Conventional Sweepstakes (Control Group) | Involvement Sweepstakes (Test Group) |
|---------------------------|--|--------------------------------------|
| Sample Size | 63 | 95 |
| Cases with Missing Values | 7 | 4 |
| Response Error | 11.11 % | 4.21% |
| p-value* | 0.0476 | |

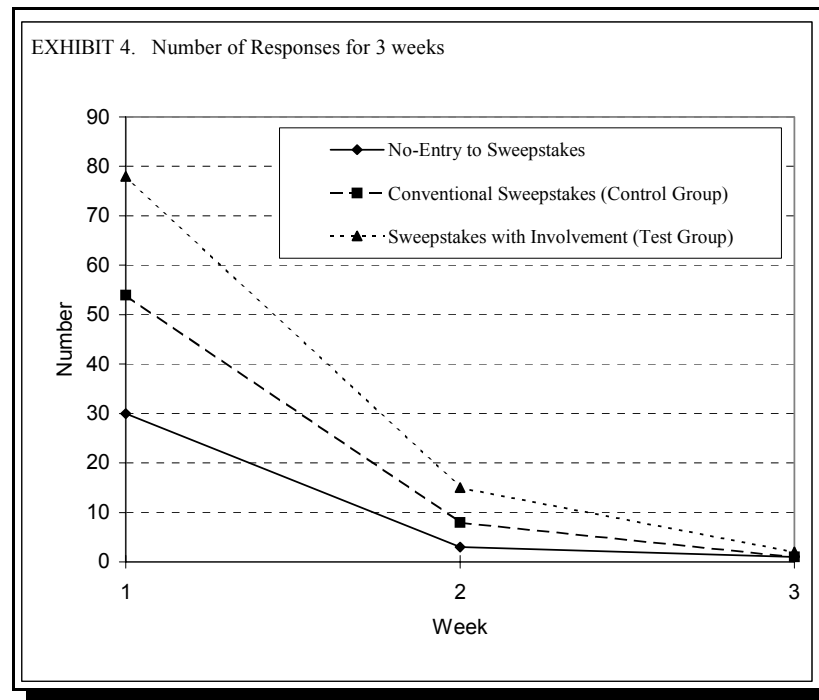
*one-tail t-test for difference of response errors between two groups.

Response Speed

Since a speedy response is also an important aspect of mail surveys (Brennan, 1992), the speed of responses of the two groups are also compared. Exhibit 4 shows the number of responses received within the first three weeks. The response rates of all three groups (test, control, and

no-entry groups) dropped almost to zero after two weeks, but the test group had clearly more early responses that also came in at a higher rate than the other group.

This suggests that the sample with high involvement in the sweepstakes is more likely to respond quickly, which is consistent with the findings of Brennan and Hoek on incentives and response speed (Brennan, 1992).



DISCUSSION

Our analysis suggests that, in industrial mail surveys, respondents' involvement in commonly used incentives like sweepstakes has a positive effect on response rate. The response rate from the test group (treated to high-involvement sweepstakes) is significantly higher than that from the control group (treated to conventional sweepstakes). The response speed is also faster from the first group.

The reason for this higher and faster response in the test group is due to respondents' higher expectation to win, which in turn increases their involvement. The wordings in the cover letter explaining the rules of the sweepstakes are designed to lead respondents to speculate that they have a higher chance of winning if they select a prize item which, in their opinions, fewer other people would pick (see Exhibit 2). Respondents have a stronger incentive to respond when given a chance to choose their prize and influence their likelihood of winning.

The issue of response error is critical in this type of setting because there is a possibility that the sweepstakes incentive could lead respondents to fill out the survey in a careless manner just to

enter the sweepstakes. If that is the case, the effort to increase response rate can be undermined by a large number of missing values and thus high response error. Fortunately, the analysis shows that the test group has significantly lower response error, suggesting that the design of sweepstakes used in this study is effective.

CONCLUDING REMARKS

The purpose of the study was to empirically test the extent to which response rate from industrial mail surveys increases when the survey instrument is accompanied by sweepstakes incentive in which potential respondents are made involved. Respondents, presented with high involvement sweepstakes, are more likely to respond, respond promptly, and are less likely to omit questions. As a result, the use of involvement sweepstakes improves response rate and reduces response error, thereby increasing the effectiveness of the survey.

Future studies should focus on other creative methods of increasing respondents' involvement and interest for more cost-effective survey design. This may be extended beyond mail surveys to other types of research settings, such as telephone interviews, face-to-face interviews, on-line surveys, and so on. Future research should also investigate the effectiveness of using different rewards for samples of different characteristics, and the combined impact of multiple incentives on response rate.

In summary, this study has shown how the effectiveness of surveys can be improved by using creative techniques. By increasing the level of involvement and interest of respondents, the cost effectiveness of the survey can be improved. Researchers can enhance the response rate of their surveys by using such creative techniques to involve potential respondents.

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THE HEALTH-ORIENTED MARKET: A LIFESTYLE MODEL, EMPIRICAL TEST, AND IMPLICATIONS FOR MARKET SEGMENTATION STRATEGY

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ABSTRACT

This study investigates (1) the extent to which a health-oriented lifestyle features interlocking nutrition and exercise components, and (2) how those who follow this lifestyle can be segmented in terms of their demographics and their psychological involvement in both nutrition and exercise. It proposes a model of the process of influence on health-related lifestyle activities. The findings provide general, but qualified, support for the model. They indicate that persons who consume more nutritional food have greater concern about nutrition, find the benefits of exercise more important, hold more favorable attitudes toward exercise, and are more likely successful, female, and older. Persons who exercise more heavily consume more nutritional food, evince greater concern for nutrition, possess more favorable attitudes toward exercise, and are more likely successful, single, male, and younger. These findings, and those that support the proposed influences among other constructs in the model, demonstrate the interlocking nature of consumers' psychological and behavioral involvement in the nutrition- and exercise-related aspects of health. Many implications for marketers emerge from these findings.

INTRODUCTION

Despite the emphasis given these issues in the marketing literature, consumers of today are faced with more than just the task of having to make product and brand choices in the marketplace. More basically, they have to choose from among the many alternative lifestyles available to them (Kraft & Goodell, 1993). Because their choices of products and brands reflect their basic lifestyle, consumers' selection of a particular lifestyle alternative underlies their consumption patterns (Drug Store News, 1996). Accordingly, their basic lifestyles hold direct implications for the marketers who seek to serve these consumers (Loro, 1992).

The notion of people choosing a lifestyle like they would choose a product may be the very basis for developing segmentation strategies. Lifestyle segmentation is certainly not a new concept, but the segment of persons that chooses a lifestyle bases on the confluence of nutrition and physical fitness behaviors is relatively new and little empirical support has found its way into the literature. The present study proposes a participation model that encompasses a healthy lifestyle by

incorporating both nutrition and physical fitness and demographic and psychological antecedents. Studies involving segmentation have focused on many topics and abound in the marketing literature. Leutzinger and Hunnicutt (1996) applied marketing concepts to worksite health promotion programs; Wyner (1996) considered response function as a new segmentation variable. Thus segments were defined on the basis of similar responses; some sort of meaningful behavior. Brown (1992), identified three distinct segments based on fitness behaviors; while Dimance and Samdahl (1994), suggest that consumption of leisure is a subset of broader patterns of consumption housed in consumer behavior. Sandor (1994) found that attitudes toward health and toward food could be used to segment markets successfully; Thompson and Kaminski (1993) found that lifestyle with other variables could be used to segment on the basis of service quality expectations. Further, O'Connor and Sullivan (1995) found brand preference segmentation produces more interpretable and managerially useful segmentation results than benefit/attributes desired. Thus, many person-based variables have been used to segment desirable markets. The present study compliments this body of literature by offering a new conceptual model that considers lifestyle choice in the participation of nutrition and physical fitness, and lastly, providing an empirical test.

One basic lifestyle that has gained increasing attention from consumers, scholars, marketing practitioners, and society as a whole is that pattern of activities that reflects an explicitly healthful orientation (Kraft & Goodell, 1993; Taylor, 1991). In the positive vein, these activities can be viewed as an attempt to develop and/or maintain "wellness," a state of emotional, intellectual, physical, occupation, social, and spiritual well-being (Leafgren & Elsenrath, 1986). Wellness is attained by making certain choices relevant to exercise, nutrition, health knowledge, health care delivery, physical and mental health, and personal safety (Duffy, 1989; Kraft & Goodell, 1993; Moorman & Matulick, 1993). In particular, persons who actively seek wellness do so by choosing activities, and consequently the products and services to support them, that importantly emphasize their concern for nutrition and physical fitness (Kraft & Goodell, 1993). If persons shape their lifestyle to feature appropriate participation in these two broad types of behaviors, they can benefit both their physical and their psychological functioning. With respect to physical benefits, nutritionally correct consumption can supply body organs and tissues with proper nutrients; increase blood flow; and reduce weight, stress, cardiovascular disease, cancer, and osteoporosis-related problems. Proper exercise can promote strength, stamina, and an attractive body form; maintain normal cardiovascular functioning; produce good cholesterol; increase metabolism; and burn excess calories (Blair, 1988; Cooper & Offer, 1990). The psychological benefits of a health-oriented lifestyle include desired body image; greater self-esteem, assertiveness, autonomy, confidence, motivation, achievement, internal locus of control; a positive orientation to life; and improved well-being (Sonstroem, 1988; Oman & McAuley, 1993). For this reason, those persons who pursue a health-oriented lifestyle constitute a major market, one that can be profitably served if the appropriate marketing strategy is used (Kraft & Goodell, 1993).

This study investigates specific demographic and psychological characteristics of persons that lead to participation in a particular lifestyle that focuses on nutrition and physical fitness behaviors. To this end, this study examines the process of influence leading to a health-oriented lifestyle, a pattern of activities that manifests strict requirements for nutritional food alternatives and an active, often dominating pursuit of physical fitness. This is a study of the process leading to

participation in nutrition and physical fitness related activities. This study is clearly about individuals and not groups, but has implications for marketers that develop strategies based on individuals with similar behavioral patterns. These individuals with similar behavioral patterns, form potential market segments.

COMPONENTS OF A HEALTH-ORIENTED LIFESTYLE

This study investigates the influence of several antecedent influences on consumers' performance of these two most beneficial activities that constitutes a health-oriented lifestyle. It presents a new model in a new context and tests the proposed model that integrates constructs from many different disciplines in order to get at the crux of persons' lifestyle choices. The model integrates psychological constructs such as concerns, attitudes, and knowledge to explain persons' behavioral involvement in nutrition and physical fitness. Previous models performed bivariate analysis while the proposed model looks at the influence of all the variables in the model as a process and not piecemeal. Further, the present study considers marketing implications from the standpoint of how to develop viable segments based on similar behavioral patterns with respect to nutritional food choices and physical fitness activities.

Nutrition

Previous research involving from nutrition from a segmentation approach has examined persons' ability to respond cognitively to different formats for nutrition information (Rudell, 1984). Researchers have also examined the influence of persons' nutrition-related attitudes on restaurant patronage (Granzin & Bahn, 1988), and the effect of their knowledge of nutrition issues on their food choices (Barr, 1986; Signorielli & Lears, 1992). Additional research has emphasized persons' processing of information about nutrition, focusing on their use of nutrition information on grocery labels in making brand choices (Jacob, Chestnut & Silberman, 1977; Russo, Staelin, Nolan & Metcalf, 1986), in different store settings, and by persons with different demographic profiles and different levels of nutrition knowledge (Assam & Bucklin, 1973; French & Barksdale, 1974; Lenahan, 1973; Haralson et al., 1992). This research has found consumers to have a relatively low level of knowledge of nutrition (Jacoby et al., 1977; Haralson et al., 1992).

These studies have generally focused on either persons' use of information or on how their concern for nutrition influence their specific choices (e.g., brand selection) in the marketplace. In the process, this research has neglected the part played by nutrition in persons' broader lifestyle patterns of behavior. Of course, other academic areas, such as the field of nutrition itself, have contributed to our knowledge of persons' involvement with nutrition. For example, nutritionists and dieticians now warn people not merely to restrain their total intake of calories, but to also assess the fat content associated with these calories (French, Jeffery & Wing, 1994; Sobal, Revicki & DeForge, 1992). They also warn people to exclude large amounts of animal fats, simple sugars, and sodium from their diets (Haralson, Sargent & Schuchter, 1992, Walton, 1987). Therefore, reflecting generally-accepted knowledge, the present study considers positive involvement in nutrition to

reflect low intake of salt, fat, and simple sugars; and high intake of complex carbohydrates, fiber, fruits, vegetables, fish, and poultry (Kirk & Gillespie, 1990; Walton, 1987). In an attempt to fill a gap from the existing knowledge of nutrition, Moorman and Matulich (1993) studied the influence of health knowledge and income on positive health behaviors and found empirical support. Although the gap has been somewhat narrowed, knowledge concerning amore integrated process model of this health-oriented lifestyle as not been attempted. The proposed research seeks to fill this gap and contribute empirical findings that should shed new light on these persons' who seek healthy alternatives in food and exercise choices that dominate their life.

Physical Fitness

For this study exercise choices is the operationalization of physical fitness. Exercise is those physical fitness activities designed to develop flexibility, muscular strength, stamina, and cardiovascular functioning. Exercise has received considerably less attention from marketing scholars than has nutrition, despite its centrality to persons' health-oriented lifestyle. Research outside the field marketing indicates why exercise should be a foundation component of a model based on a health-oriented lifestyle (Sonstroem, Harlow & Joesphs, 1994; Tappe, Duda & Ehrnwald, 1989; Duda & Tappe, 1989; Dishman, Sallis & Orenstein, 1985). Because lifestyle as a way of living comprises persons' characteristic pattern of behaviors (Veal, 1991), exercise activities join with nutritional food habits to define persons' complete health-oriented lifestyle (Lee, 1993; Marcus, Eaton, Rossi & Harlow, 1994; Rabinowitz, Melamed, Weisberg & Tal, 1992; Verhoef, Love & Rose, 1992). The only study investigated from a marketing perspective was conducted by Kraft and Goodell (1993) and was published in the health care marketing. They sought to discover the characteristics of the health conscious consumer by identifying different lifestyle choices that may aid a persons desire to live a more healthy life. They propose that persons who engage in particular wellness activities such as health environment sensitivity, nutritional awareness, physical fitness, stress management and self-responsibility will have a higher quality of life and lifestyle. The present study supports these findings and seeks to extend them by developing a broader based perspective on a healthy lifestyle, that is a wholistic approach that not only incorporates awareness and beliefs, but also many behaviors that constitutes a healthy approach to life. This study presents an extension of the previous research published in the physical fitness literature. It seeks to accomplish this by investigating the process of influence on persons' lifestyle using the notion that this lifestyle comprises those activities persons select to gain both physical and psychological benefits from consumption of nutritional food choices and physical fitness activities.

Research Questions

On this basis, these research questions emerge: (1) what is the influence of consumers' psychological involvement in nutrition and exercise on their health-oriented lifestyle? (2) to what extent are these twin components of the process of influence on lifestyle interrelated (i.e., do consumers concentrate on only one of these components, or do they integrate the two)? and (3) what

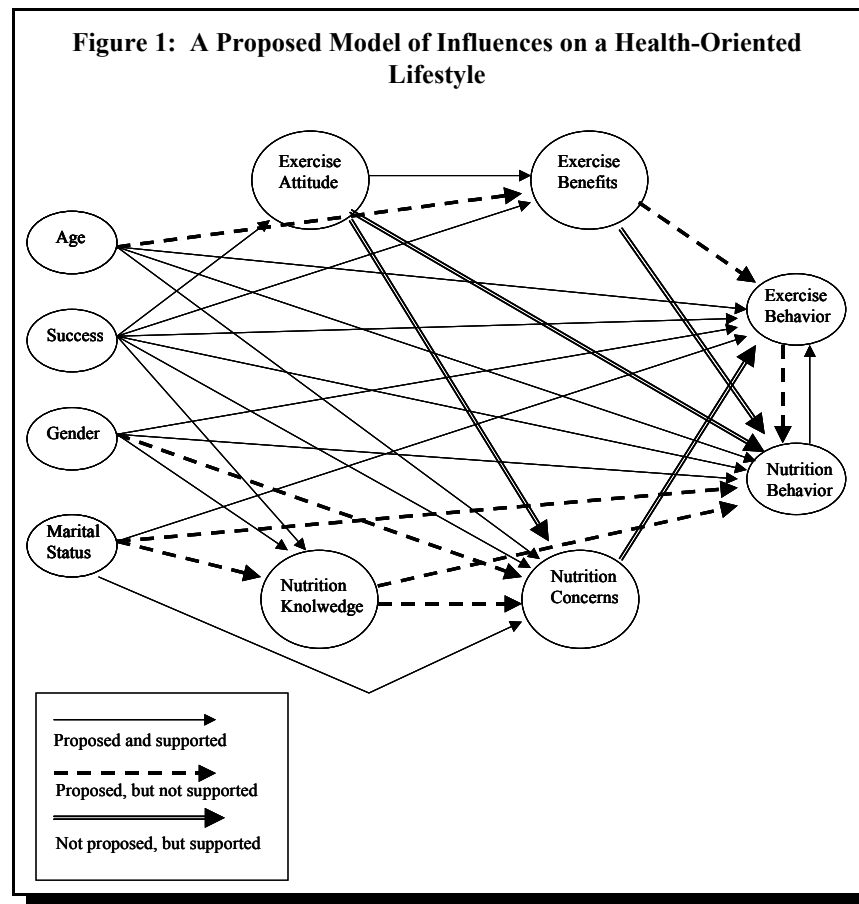
is the role of other personal characteristics, represented here by demographics, in this process of influence?

PREVIOUS RESEARCH IN THE AREA OF A HEALTH-ORIENTED LIFESTYLE

Given the dearth of consumer research involving the influence of nutrition and exercise on consumption-related behavior, but not as a process or without lifestyle choice considerations, it is fortunate other scholarly fields have examined this issue. In fact, some scholars have modeled certain aspect(s) of this process of influence (e.g., Becker & Maiman, 1975; Blair, 1988; Gottlieb & Baker, 1986; Homer & Kahle, 1988; Lau, Hartman & Ware, 1986; Pender, 1982, 1987; Pender & Pender, 1986; Sonstroem, 1988; Weitzel, 1989). Especially pertinent to this study, the broader behavioral literature supplies support for selecting certain psychological constructs to include in the process of influence proposed to lead to a health-oriented lifestyle. For example, many scholars have linked attitudes toward nutrition and physical fitness with either nutrition- or and exercise-related behaviors (Anderson & Shepherd, 1989; Hollis et al., 1986; McIntosh et al., 1990; Verhoef et al., 1992; Harris et al., 1992; Storz, 1983). Empirical support has also been found for the association of desired appearance and body image with nutritional food choices and participation in physical fitness activities (Witte et al., 1991; Casper & Offer, 1990; Davies & Furnham, 1986; Dishman & Gettman, 1980; Duda & Tappe, 1988; Ganely, 1989; Hayes & Ross, 1987; O'Connell & Velicer, 1988; Walton, 1987). Another, more recent study that looks at the process persons use to make choices about health orientation was performed by Tudor and Carley (1995). They found that more affective components rather than cognitive components of the decision process aided persons in their choice to use a long term health care facility. This studied decision process is analogous to the decision process investigated in the present study to uncover the flow of influence of nutritional related food behaviors and physical fitness behaviors.

A PROPOSED MODEL OF THE INFLUENCES ON A HEALTH-ORIENTED LIFESTYLE

The proposed model describes the process of influence on a health-oriented lifestyle, shown to flow from left to right in the Figure presented here. Support for the proposed linkages comes from previous research in a number disciplines where nutrition- and physical fitness-related behavior have been investigated. To keep the present study empirically manageable, the model features ten variables that represent seven basic constructs, with the Demographics construct split into four sub-constructs a la Moorman and Matulich (1993). The characteristics are constructs/variables that are elements of the flow of influence that constitutes the process in question. Each of the constructs in the flow of influence plays a part in the total process and has implications for developing strategy aimed at specific segments of people. It influences subsequent variables in the process. Some constructs come before others; thus they are antecedent to their subsequents and present challenges to marketers trying to cater to persons with similar attitudinal and behavioral patterns.



This section introduces and provides the rationale for the constructs of the model and their proposed interrelationships. The mode of presentation is to discuss each construct of the model in turn and, for the endogenous constructs, to propose causal influences from antecedent constructs. These proposed relationships are subsequently stated as formal hypotheses for empirical investigation.

Demographics as an Exogenous Construct

The flow of influence begins with demographics. Demographics and specifically the four measure of demographics chosen in this study constitute the basic person and are not generally influenced by psychological constructs or behavior, but are usually the influencing constructs. Numerous previous studies have associated demographic variables with various forms of involvement with nutrition and physical fitness. While many such variables could be included in the model, to permit an empirical test of the proposed integrated model found in the Figure, this research concentrates on a limited, but representative set of four demographics (sub)-constructs: marital status, gender, age, and what is here termed success. Success as achievement in life has been

considered in various ways by researchers. This study uses education and occupational prestige to concisely represent success.

Exercise Attitudes as an Endogenous Construct

Conceptually, the construct of exercise attitudes represents consumers' cognitive and evaluative involvement in exercise-related issues. The literature reports that consumers who have higher socio-economic status have higher involvement in exercise-related issues (Firebaugh, 1989; Rudman, 1989; McAuley et al., 1991) in particular, a higher attitudinal involvement (Hope, 1988; Ferguson et al., 1989; McAuley et al., 1991). Thus, the model proposes that more successful persons hold supportive attitudes toward exercise-related issues. More formally,

H1: More positive exercise attitudes are linked with greater success.

Nutrition Knowledge as an Endogenous Construct

Nutrition knowledge represents the beliefs consumers hold about the nutritional content of available food alternatives. Researchers have linked various demographics, including those here considered reflective of Success, with knowledge of nutrition. Specifically, previous research shows persons with higher income and education have more knowledge about nutrition (Kirk & Gillespie, 1990; Moorman & Matulich, 1993; Schafer & Schafer, 1989). Other research has learned that women are more knowledgeable about nutrition issues (McIntosh et al., 1990; Prohaska et al., 1985). Additionally, it follows that since women, generally, have greater concern for the family, they should also be more knowledgeable about food-related issues. Thus, previous research and the above argument suggest:

H2: Greater nutrition knowledge is associated with (a) greater success, (b) female gender, and (c) married marital status.

Thus, both of these psychological constructs are included in this study because they have been successfully shown to influence behavior. Attitudes and knowledge are certainly antecedents to behavior and felt important in this study because of its focus on integration.

Exercise Benefits as an Endogenous Construct

The construct presented in the Figure is Exercise Benefits. This construct is included in this study because of its importance in describing the many reasons why persons may choose physical fitness as a lifestyle choice. The popular press has indicated on several occasions the benefits from a frequent exercise. Previous studies have linked various demographics with interest in obtaining such benefits from exercise as stamina, strength, cardiovascular health, peace of mind, stress

reduction, and stronger self-image (Hope, 1988; McAuley, Courmeyer & Rudolph, 1994; Oman & McAuley, 1993). Scholars in Clinical Psychology, Nursing, Social Psychology, Sports Studies, Education, and Sports Medicine have empirically linked higher education, occupational status, and income with a stronger desire to obtain these benefits from regular exercise (Blair, 1988; Gottlieb & Baker, 1986; Pender, 1982; Pender, 1986; Pender & Pender, 1986; Sonstroem, 1988). Further, older persons are more likely to emphasize philosophical benefits (Rudman, 1989), both mental and physical health-related benefits (Duda & Tappe, 1989; Koslow, 1988), and the intrinsic role of mastery over one's body (Summers, Machin & Sargent, 1983). Thus, a marketing perspective is needed in that application of these many other disciplines leads to the offering of products and services to facilitate benefits sought from exercise activities.

Research has also linked general attitudes toward physical fitness with emphasis on fitness benefits. These studies have shown that persons focus their fitness-related attitudes on those specific benefits they can derive from exercise; for example, on less stress and tension (Gephardt & Crump, 1990; Hendrix, Ovalle & Troxeller, 1985; Brown & Siegel, 1988), greater physical strength and stamina, more attractive appearance and body image, and reduced cardiovascular disease (Ferguson et al., 1989; Godin & Shepherd, 1986; Rea, 1987). Duda and Tappe (1989) linked more favorable attitudes of middle-aged and elderly exercisers with their greater recognition of the health benefits of participating in a regular exercise program. On this basis, the model posits that stronger emphasis on the benefits of exercise stems from greater success in life, being older, and viewing exercise more favorably.

H3: Greater Exercise benefits relate to (a) greater success, (b) older age, and (c) more favorable exercise attitudes.

Nutrition Concerns as an Endogenous Construct

Nutrition concerns represents persons' interest in gaining proper nutrition and receiving its benefits; more specifically, their anxiety and apprehension about such nutrition-related issues as fat, cholesterol, and dieting. Previous research links demographics with these concerns, showing that persons with lower socio-economic status suffer from more eating disorders and the resulting stress and tension (Ganley, 1989; Kulik & Mahler, 1987), while those with higher SES experience greater internal locus of control in health-related activities (Abella & Heslin, 1984). Females express greater concern about their body image and appearance than males (Casper & Offer, 1990), and adolescent females are more anxious about their body shape (Davies & Furnham, 1986). Notably, women feel a greater concern than men about nutrition issues (McIntosh et al., 1990; Prohaska et al., 1985). Further, Nayga (1997) found that black, female, higher educated and non-working main meal planners generally perceive nutrition as more important than do others and place more emphasis on nutrition in providing meals.

The model also proposes that knowledge of nutrition influences these concerns. Granzin and Bahn (1988) found a link between restaurant patrons' beliefs about nutrition and their concern for the type of benefits they received. This linkage has been further supported empirically by various

other behavioral studies that show increased knowledge about, nutrition stimulates persons' concern; e.g. regarding their nutrition intake (Storz, 1983; Anderson & Shepherd, 1989; McIntosh et al., 1990; Signorielli & Lears, 1992; Trent, 1992).

The influence of exercise benefits on nutrition concerns issues from the recognition that Americans' interest in physical well-being is largely focused on their concern for an attractive body image; specifically, their fear of being overweight (Lau, 1986; Davies & Furnham, 1986; Storz, 1983). As to health-oriented segment continues to mature, those persons who see benefits of exercising also are concerned about what they eat. For example, many popular programs are endorsed in mass marketed magazines prescribe that people should both exercise and watch their food intake to insure a health-oriented lifestyle as well as maintain proper weight levels. Therefore this link is included in the proposed model because as persons choose the time of lifestyle that best fits themselves, they are by nature concerned with the aspects that constitutes their choice. Thus, the model found in the Figure posits those most concerned about nutrition are more successful, married, female, older, more knowledgeable about nutrition, and more desirous of the benefits of exercise.

H4: Nutrition concerns increases with (a) greater success, (b) female gender, (c) married marital status, (d) older age, (e) greater nutrition knowledge, and (f) greater exercise benefits.

Exercise Behavior as a Criterion Construct

Exercise behavior comprises a variety of activities explicitly or implicitly chosen to support persons' ability to (1) perform strenuous physical activity with vigor and without excessive fatigue, and (2) demonstrate physical activity traits and capacity that are consistent with minimal risk of developing hyperkinetic diseases. In general, exercise supports one's general good health and one's capacity to feel good, look good, enjoy life, work efficiently, and handle life's emergencies and for these reasons are included in this research as one of two criterion variables. Exercise behavior reflects a variety of behavioral choices. For example, among other indicators, participants' exercise regimen may be defined by the number and type of activities habitually pursued (Gottlieb & Baker, 1986; Rowland, Franken & Harrison, 1986; Stephens, Jacobs & White, 1985), or by the frequency and duration of participation (Deeter, 1988; Duda & Tappe, 1989; Rowland, Franken & Harrison, 1986).

Previous studies demonstrate that demographic characteristics influence participation in physical fitness activities. Persons with higher SES (Rea 1987) and occupational prestige (Stephens, Jacobs & White, 1985) are more likely to exercise regularly. Verhoef et al. (1992) found married women exercise less than single women, but that married men exercise more than single men. Other research found males participate more regularly in exercise activity and for longer periods of time (Doyle, 1989; Ferguson et al., 1989; Firebaugh, 1989). Younger persons are more likely to run/jog (Doyle, 1989), and physical activity generally decreases with age (Stephens, Jacobs & White, 1985), although the influence of age varies with the activity (Doyle, 1989). A study that segmented the fitness market into three distinct groups was performed by Brown (1992). His three segments were

classified as Winners who believe that staying physical fit will enable to to stay ahead in their business careers. The second group, Dieters, are mainly interested in weight control and physical appearance and exercise to obtain this goal. The third segment, Self-improvers, see exercise as a way to feel better. Further, Brown (1992), related specific demographic characteristics of each segment. Winners are younger, Dieters are older and female, and Self-improvers are more likely to be single.

Numerous studies have linked more supportive attitudes about physical fitness with greater participation in exercise (e.g., Crawford & Eklund, 1994; Duda & Tappe, 1988, 1989; Dishman, Sallis & Orenstein, 1985; Ferguson et al., 1989; Field & Steinhardt, 1992; Godin & Shepherd, 1986; Slenker et al., 1984). For instance, Deeter (1988) showed attitudinal commitment to explain participation in exercise.

Researchers have also shown that persons who require certain benefits of exercise participate in the physical activities held to provide these beneficial outcomes (Dishman, Sallis & Orenstein, 1985; Duda & Tappe, 1988; Godin & Shepherd, 1966; Weber & Wertheim, 1989). This relationship has emerged for (1) various general benefits (John & Miaoulis, 1992; Maehr & Braskamp, 1986), specific benefits such as self-image, appearance, and a positive outlook on life (Dishman, 1982; Dishman, Ickes, and Morgan 1980; Dishman and Ickes 1981), (2) diverse activities, such as jogging (Slenker et al., 1984), and (3) various classes of exercisers, such as arthritic patients (Ike, Lampman & Castor, 1989) and adolescents with insulin-dependent diabetes (Campaigne et al., 1985). Taken together, these studies suggest participation in exercise increases with achieving success in life; being single, male, and younger; holding favorable attitudes; and recognizing the benefits of exercise.

H5: Exercise behavior increases with (a) greater success, (b) single marital status, (c) male gender, (d) younger age, (e) more favorable exercise attitudes, and (f) stronger exercise benefits.

Nutrition Behavior as a Criterion Construct

Nutrition behavior as proposed in the Figure, represents the choice of nutritional food alternatives for consumption (e.g., vegetables, fruit, and whole wheat bread), regardless of the consumption context. The basic issue is the relative frequency with which consumers make nutritional choices from various types of food that may differ considerably in their nutritional content. Functionally, consumers may encourage a healthy body and mind by eating more of nutritional, beneficial foods and/or by eating less of non-nutritional, harmful foods. Because nutritional food choices is at the core of a health-oriented lifestyle it is of central focus to this study and becomes the second of two criterion variables.

Researchers have associated demographics with food selection, showing that persons with higher education and higher income, higher occupational prestige of the household head, female gender, married status, and older age are more likely to choose more nutritional food alternatives (Amstutz & Dixon, 1986; Armstrong, Lange & Stem, 1990; Berger & Leigh, 1989; Block, Rosenberger & Patterson, 1989; Brown, 1992; Granzin & Bahn, 1988; Hayes & Ross, 1987; Hollies

et al., 1986; Kirk & Gillespie, 1990; Mathios, 1996; Moorman & Matulch, 1993; Peterkin, 1986; Schafer & Schafer, 1989; Schlosberg, 1987; Trent, 1992).

Previous behavioral research in this context has linked beliefs with behavior. For example, Amstutz and Dixon (1986) and Ippolitio and Mathios (1990) found that expanded education and nutrition programs increase participants' knowledge (Moorman & Matulich, 1993; Maehr & Braskamp, 1986) about nutrition, which knowledge subsequently influences purchase and consumption of more nutritional food alternatives in positive fashion. Other research has associated nutrition beliefs (Anderson & Shepherd, 1989) and, more specifically, knowledge of nutrition (Barr, 1986) with the choice of healthful food alternatives.

Research has also found concern for nutrition related to nutrition-related behavior. For instance, Contento and Murphy (1990) found dieters who are more concerned about changing their body image are more likely to choose nutritional food as a way to lose weight. Lau, Hartman, and Ware (1986) showed persons' strongly held values involving health-related issues (which, by inclusion, should entail their nutrition concerns) affect their health-oriented behaviors. Further, research has positively linked the symbolic health concerns emulated in body image and appearance with nutritional food choices (Walton, 1987; Hayes & Ross, 1987; Casper & Ganley, 1990; Skinner et al., 1991). In sum, previous research supports the proposition that persons who follow more nutritional food habits are more successful, married, female, and older; also, they know more about nutrition and are more concerned about gaining nutrition.

H6: Nutrition behavior increases with (a) greater success, (b) married marital status, (c) female gender, (d) older age, (e) greater nutrition knowledge, and (f) stronger nutrition concerns.

Exercise Behavior and Nutrition Behavior as Complementary Concepts

The Gestalt concept of an integrated health-oriented lifestyle espoused here suggests an interdependence between persons' behavioral involvement in exercise and nutrition as noted in the Figure. Various scholars have used previous empirical findings as justification for including both types of behaviors in their conceptualizations of the influences on a healthful orientation toward life (e.g., Blair, 1988; Gottlieb & Baker, 1986; Harris & Koehler, 1992; Pender, 1982, 1987; Weitzel, 1989). The notion of a fully integrated lifestyle suggests that, once participants choose an exercise program as the means of achieving certain health-related benefits, consistent nutritional food choices will more likely follow, and vice versa (Brown, 1992). As a concrete illustration, many fitness centers have successfully installed health-food bars, thus promoting their clients' parallel involvement in both nutrition- and exercise-related behaviors. In complementary fashion, persons who enjoy eating have been known to view exercise as the means of burning extra calories they have ingested. Thus, the two behavioral constructs may be conceived to exert reciprocal, positive influences on each other.

H7: There is a positive two-way flow of influence between nutrition behavior and exercise behavior.

Clearly, justification for the linkages proposed in this model are numerous, but because they have found empirical support in other context does not an assurance that they will find empirical support in the context of the present study. In sum, the present study is attempting to investigate a process model of persons' who participate in specific nutrition and physical fitness activities as a conscious lifestyle choice.

METHOD

Data Collection

Survey data were collected from a sample of the residents of a medium-sized community in the southeastern U.S. A total of 370 adults, aged 18 and older and split evenly between males and females, were contacted according to a random area cluster sample of dwellings. The sampling frame included all sixteen sections of town that were delineated by the municipal government. Respondents completed a self-administered questionnaire in the presence of trained interviewers, which served to motivate the cooperation of the respondents, to answer any questions that might arise, and to monitor the progress of the respondents.

Measurement

Five-point Likert scales were used to measure exercise attitudes (e.g., "People who exercise regularly tend to have more energy than those who don't"), nutrition concerns (e.g., "I am concerned about my cholesterol level"), and nutrition knowledge items (e.g., "Red meat is lower in fat than poultry"). The Nutrition knowledge items were combined to form a composite index by adding correct scores and subtracting incorrect scores, thus creating a scale where a higher positive score connotes greater correctness of and confidence in the respondent's answer. Correctness of response to these items was judged by the working knowledge of one of the authors and two experts in the area of nutrition. Each person judged the correctness of the responses and the judges were 94% in agreement on what represented a correct response to the nutrition knowledge items.

Exercise benefits (e.g., "Ability to handle stress"), was operationalized by rating the importance of each benefit on a five-point scale. Information on nutrition behavior came from reports of frequency of consumption of food types (e.g., fresh vegetables, potato chips, complex carbohydrates) on a seven-point scale. Exercise behavior, was operationalized in three measures: (1) duration of participants' average workout on a scale using five ranges stated in minutes per day (e.g., 1-19 minutes/day), (2) frequency of workouts on a scale using four ranges stated in days per week (e.g., 1-2 days/week), and (3) total number of popular fitness activities pursued at least once a week. Demographics were obtained using standard items for marital status, gender, age, and education; occupational prestige was measured by coding reported occupation using Duncan's Index (University of Illinois Bureau of Economic Research, 1990).

Table 1: Pattern Coefficients, z Statistics, Reliabilities for the Measurement Model

| Construct/Indicator | Standardized Coefficient | z | Indicator Reliability |
|---|--------------------------|--------------------|-----------------------|
| Success | .770 | -- ^a | .593 |
| Occupational Prestige | .615 | 8.12 ^b | .378 |
| Education | | | |
| Marital Status | 1 | -- ^a | 1.000 ^a |
| Currently married (0=no; 1=yes) | | | |
| Gender (0=male; 1=female) | 1 | -- ^a | 1.000 ^a |
| Age (years) | 1 | -- ^a | 1.000 ^a |
| Exercise Attitudes | .752 | -- ^a | .566 |
| Exercise is important | .733 | 13.04 ^b | .537 |
| Being fit/in shape is important | .716 | 12.77 ^b | .513 |
| People who exercise regularly have more energy | .702 | 12.51 ^b | .492 |
| Feel good from exercising | | | |
| Exercise Benefits | .732 | -- ^a | .536 |
| Ability to think more clearly | .729 | 12.02 ^b | .531 |
| Increased productivity at work | .727 | 12.00 ^b | .529 |
| Ability to handle stress | | | |
| Nutrition Knowledge: An index based on correctness of answers to 12 questions | 1 | -- ^a | 1.000 ^a |
| Nutrition Concerns | .801 | -- ^a | .651 |
| Watch my intake of fatty foods | .678 | 11.69 ^b | .464 |
| Concerned about cholesterol level | .659 | 11.41 ^b | .438 |
| Nutrition important in my life | | | |
| Exercise Behavior | .783 | -- ^a | .614 |
| Duration of average workout | .753 | 10.86 ^b | .569 |
| Frequency of workouts | .531 | 8.77 ^b | .283 |
| Total number of activities | | | |
| Nutrition Behavior | .741 | -- ^a | .550 |
| Intake of fresh fruit | .701 | 11.11 ^b | .492 |
| Intake of fresh vegetables | .526 | 8.73 ^b | .277 |
| Intake of wheat bread products | -.459 | 7.69 ^b | .211 |
| Intake of potato chips | | | |

^a Coefficient of leading indicator for each construct was set to 1.0 to establish scale for the construct

^b p<.001

Data Analysis

The model was tested using structural equation analysis. Because most constructs were operationalized using multiple measures, the complete model being tested was relatively complex. Thus, it was necessary to establish the measurement model separately at the first stage of the structural equation analysis procedure (Anderson & Gerbing, 1988; Herting & Costner, 1985). Exploratory factor analysis and reliability analysis were used to identify those items that performed best as indicators of the constructs. Then, confirmatory factor analysis was conducted to form a measurement model consisting of four exercise attitudes, three exercise benefits, three nutrition concerns, and four nutrition behaviors.

Table 2: Magnitude and Significance of Hypothesized Structural Relationships

| Following/Leading Constructs | Hypo. Sign | Parameter | Standard Effect | Direct (Total) Effect | z Values |
|------------------------------|------------|-----------------|-----------------|--|---------------|
| Exercise Attitudes Success | + | Y ₁₁ | 0.125 | .153 ^a (.153a ^a) | 1.84 (1.84) |
| Nutrition Knowledge Success | + | Y ₂₁ | .258 | .420 ^a (.420 ^a) | 2.97 (2.98) |
| Marital Status | + | Y ₂₂ | -.101 | -.101 (-.101) | 1.39 (1.38) |
| Gender | + | Y ₂₃ | .173 | .173 ^a (.173 ^a) | 3.13 (3.15) |
| Exercise Benefits Success | + | Y ₃₁ | .066 | .079 (.189 ^a) | 1.08 (1.08) |
| Age | + | Y ₃₄ | .021 | .015 (.015) | .41 (.41) |
| Exercise Attitudes | + | β ₃₁ | .737 | .717 ^a (.717 ^a) | 10.10 (10.10) |
| Nutrition Concerns Success | + | Y ₄₁ | .128 | .167 ^a (.282 ^a) | 1.43 (2.39) |
| Marital Status | + | Y ₄₂ | .154 | .123 ^a (.116 ^a) | 1.79 (1.68) |
| Gender | + | Y ₄₃ | .076 | .061 (.073) | 1.34 (1.62) |
| Age | + | Y ₄₄ | .110 | .088 (.095 ^a) | 1.63 (1.73) |
| Exercise Attitudes | -- | -- | --- | --- (.326 ^b) | --- (6.04) |
| Nutrition Knowledge | + | β ₄₂ | .087 | .070 (.070) | 1.61 (1.59) |
| Exercise Benefits | + | β ₄₃ | .416 | .455 ^a (.455 ^a) | 6.49 (6.50) |
| Exercise Behavior Success | + | Y ₆₁ | .092 | .117 (.280 ^a) | .960 (2.37) |
| Marital Status | - | Y ₆₂ | -.249 | -.195 ^a (-.171 ^a) | 2.81 (2.48) |
| Gender | - | Y ₆₃ | -.190 | -.149 ^a (-.093 ^a) | 2.88 (2.07) |
| Age | - | Y ₆₄ | .193 | -.151 ^a (-.091 ^a) | 2.49 (1.69) |
| Exercise Attitudes | + | B ₆₁ | .508 | .528 ^a (.473 ^a) | 4.30 (6.86) |
| Nutrition Knowledge | | | --- | --- (.002) | --- (.150) |
| Exercise Benefits | + | B ₆₂ | -.308 | -.127 (-.051) | .970 (.430) |
| Nutrition Concerns | | | --- | --- (.156 ^b) | --- (2.26) |
| Nutrition Behavior | + | B ₆₃ | .301 | .318 ^a (.307 ^a) | 2.36 (2.58) |
| Nutrition Behavior Success | + | Y ₈₁ | .192 | .232 ^a (.332 ^a) | 2.12 (3.02) |
| Marital Status | + | Y ₈₂ | -.006 | -.004 (.077) | .070 (1.18) |
| Gender | + | Y ₈₃ | .181 | .134 ^a (.177 ^a) | 3.13 (4.12) |
| Age | + | Y ₈₄ | .185 | .137 ^a (.196 ^a) | 2.75 (3.84) |
| Exercise Attitudes | | | --- | --- (.112 ^b) | --- (2.49) |
| Nutrition Knowledge | + | B ₈₂ | -.038 | -.028 (.007) | .720 (.180) |
| Exercise Benefits | | B ₈ | --- | --- (.237 ^b) | --- (4.74) |
| Nutrition Concerns | + | B ₈₆ | .551 | .509 ^a (.491 ^a) | 6.91 (7.33) |
| Nutrition Behavior | + | | -.120 | -.113 (-.109) | 1.22 (1.27) |

^a p<.05 using one-tailed test to reflect a proposed direction hypothesis for this direct effect

^b p<.05 using two-tailed test to reflect no proposed (directional) hypothesis for this total effect; all four significant additional total effects are positive in sign

Table 2 presents the items retained as indicators for the subsequent structural analysis, which was conducted using LISREL 7 (Joreskog & Sorbom, 1989). The seven constructs portrayed in the basic conceptual model were treated as ten constructs for empirical investigation in which four separate demographics constructs were recognized as sub-constructs. Because of their conceptual closeness, the demographics measures for occupational prestige and education were taken as formative measures of a single construct (Fornell & Bookstein, 1982) termed success, while marital status, gender, and age were treated individually. The structural analysis employed the matrix of correlations among the 23 indicators shown in Table 1 to obtain easily interpretable standardized values for the parameter estimates.

EMPIRICAL RESULTS

Support for the Measurement Model

Table 2 presents the standardized pattern coefficients and the test statistics that indicate the quality of the measurement model. The first pattern coefficient for each construct was set at 1.0 to establish the scale for the construct; therefore, this coefficient could not be tested for significance. However, the coefficient selected to be fixed was the one found highest by preliminary examination; the remaining, smaller, free coefficients are all highly significant. Here, z-tests were used to assess significance of the coefficients (Long, 1983a; Bollen, 1989), producing z-values or critical ratios ranging from 7.69 to 13.04. In general, all pattern coefficients are relatively high. Thus, examination of the measurement model shows the set of operational measures is appropriate for subsequent investigation of the proposed structural linkages among the constructs.

Support for the Structural Equation Model as a Whole

Analysis of the full structural model, which includes the measurement model and the proposed structural linkages, produced a chi-square value of 406.48 (d.f. 201, $p=.000$). This test indicates a discrepancy between the matrix of correlations based on the data and the matrix imputed by the model; however, such discrepancies are common, especially for samples of this size (Tanaka, 1993). The goodness of fit index is .916, and the index adjusted for degrees of freedom is .884, both of which statistics indicate a moderately good fit between model and data. The root mean square residual is .067. Taken together, these statistics for the structural equation model as a whole provide solid empirical support for both the conceptualization and its operationalization.

Support for the Structural Linkages

On this basis, it is appropriate to examine the results of the test of the proposed structural linkages. The total coefficient of determination for the entire set of six structural equations that explain the endogenous constructs in the model is .440. The squared multiple correlations for each of these equations are: Exercise attitudes, .016; Nutrition knowledge, .062; Exercise benefits, .562;

Nutrition concerns, .340; Exercise behavior, .319; and Nutrition behavior, .533. These R2 values provide solid support for the equations that explain the four constructs that appear later in the flow of influence. In particular, the constructs proposed to explain health-oriented lifestyle behavior perform their explanatory role well. Expectedly, the two earlier endogenous constructs receive lesser explanation from their smaller number of antecedents.

Turning to the individual linkages, Table 2 presents evidence concerning the hypotheses that propose relationships between pairs of constructs. Again, z-tests were used to assess significance of the parameter estimates for the direct structural linkages (Long, 1983b; Bollen, 1989), with one-tailed tests used for all hypothesized relationships. The tests of direct links between constructs show support ($p < .05$) for fifteen of the 27 hypothesized relationships. The standard errors provided by LISREL were also used to perform z-tests on the total effects, and nineteen of the 27 hypothesized relationships were supported in this manner. (Further, considering the total effects for the five additional paths not explicitly proposed by the model, 23 of the 32 possible uni-directional total effect linkages between pairs of constructs emerged as significant. However, the total effect for the bi-directional, reciprocal loop between exercise behavior and nutrition behavior was not significant.) In sum, taken as a set, the individual hypotheses proposed by the conceptualization were well-supported.

Impact of the Direct Effects

The tests of the direct effects provide simple, easily interpretable evidence for judging whether the data support the proposed links between pairs of constructs. This section presents the findings for these tests of the direct links ending in each of the endogenous constructs in turn. First, exercise attitudes is positively influenced by success, such that greater success, as indicated by higher education and occupational prestige, influences persons to view the idea of exercising more favorably. Second, nutrition knowledge also increases with higher Success and with female gender, but not with marital status. Third, recognition of exercise benefits follows from more favorable exercise attitudes, but not from success and age. Fourth, nutrition concerns involving the nature of one's dietary intake is heightened by the marital status of being married and by greater recognition of exercise benefits. The empirical evidence indicates that success, gender, age, and nutrition knowledge do not affect nutrition concerns.

Fifth, greater participation in exercise behavior stems from the marital status of being single, of male gender, younger Age, more favorable exercise attitudes, and, in reciprocal fashion, nutrition behavior involving the consumption of healthy food alternatives. Contrary to the hypotheses, exercise behavior does not reflect success and perceived exercise benefits. Sixth, beneficial nutrition behavior follows from greater success, female gender, older age, and greater nutrition concerns. Persons' food habits do not reflect marital status, nutrition knowledge, or exercise behavior. Thus, the empirical support for the model is pervasive, as can be seen in the finding that each of the six endogenous constructs is the endpoint for at least one, and as many as five, significant direct linkages. Further, seven of the eight constructs preceding the two "output" behavior constructs (excepting only nutrition knowledge) affect a following construct.

Impact of the Total Effects

Structural equation analysis also allows the analyst to investigate a proposed relationship by going beyond the simple, direct link between a pair of constructs. A direct link is often supplemented by one or more indirect links that work through other, intervening constructs. The sum of the direct and indirect effects produces a total effect that gives a fuller portrayal of how one construct affects another. In fact, Bollen (1989) claims the total effect is the linkage most relevant for interpretation. Here, indirect paths augment the hypothesized direct paths to the extent that they make four additional total paths statistically significant. Further, because they follow solely indirect paths, another four total paths emerge as significant where the model does not posit direct linkages between pairs of constructs.

In the first case, supplemental indirect effects indicate that exercise benefits increases with greater success, nutrition concerns increases with both greater success and advancing age, and exercise behavior increases with greater success. These findings show that the exogenous demographic constructs, especially success, enter into more complex relationships with the endogenous psychological and behavioral constructs than is indicated by the more obvious, direct paths of influence. In fact, success has a notable indirect impact on the overall flow of influence on health-oriented lifestyle. In the second case, positive influences emerge for exercise attitudes on nutrition concerns, nutrition concerns on exercise behavior, exercise attitudes on nutrition behavior, and exercise benefits on nutrition behavior.

DISCUSSION

The Process of Influence on Consumers' Health-Oriented Lifestyle

Based on Bollen's (1989) recommendation, this discussion uses the total effects that gained empirical support as the basis for exploring the nature of the process of influence leading to a health-oriented lifestyle. To reiterate, this study was an attempt to investigate a process model of influence that focused on persons' participation in nutritional food choices and physical fitness activities. All analyses were done on individuals and any reference to segments is done via marketing implications. Marketers will choose to segment persons based on the type of food choices they make as well as either the time of day they exercise or actual exercise of their choice or the confluence of these two constructs. The purpose of this project was to study lifestyle choices that consumers make regarding a health-orientation.

Influences on Exercise Behavior

In general, the results show the importance of demographics for explaining exercise behavior; all four demographic constructs affect this element of lifestyle. Those persons who engage in exercise most heavily are younger, single males who have found greater success in life (as indicated by their higher education and occupational prestige). Exercise attitudes also affect

exercise behavior; heavier exercisers have positive feelings about the practice of exercising and how it helps persons feel good, feel fit, and feel more energetic.

Both nutrition concerns and nutrition behavior affect exercise behavior. Heavier exercisers express stronger concerns about their personal nutrition practices, including their intake of fatty foods and cholesterol level. They also consume a diet of more nutritional foods, such as fresh vegetables and fruits and wheat bread, while avoiding snack foods such as potato chips. Thus, persons who exercise more heavily are more cognitively and behaviorally involved in good health in general; their involvement features both the exercise and nutrition components of a health-oriented lifestyle.

In sum, demographics provide an explanation for this component of a health-oriented lifestyle that is couched in simple terms. A fuller understanding is gained by recognizing the strong influence from supportive attitudes toward exercise and the additional contribution from nutrition-related cognitive and behavioral influences. The person most heavily engaged in exercise is more likely to be (in some combination) younger, male, single, successful, positively disposed toward exercise, concerned about nutrition, and currently following nutritional food habits.

Influences on Nutrition Behavior

Demographics also contribute importantly to the explanation of nutrition behavior, as all demographics except marital status affect persons' consumption of nutritional foods. Those who consume a more nutritional diet are older, female, and more successful in life. Nutrition concerns also influences nutritional behavior; persons who consume a more nutritional diet view nutrition as important, while being concerned about such ingredients as fat and cholesterol.

The interlocking relationship between persons' orientation toward both nutrition and exercise continues with this component of lifestyle, as both psychological exercise constructs affect nutrition behavior. Persons who have more nutritional food habits are more positively disposed toward exercising. They are also more likely to believe that exercising provides benefits that extend beyond the physiological domain to improve participants' thinking, working, and handling stress. Counter to expectations, participation in exercise does not impact nutritional food choices (although the obverse influence is supported). In sum, persons who consume more healthy food alternatives can be characterized as female, successful, older, concerned about nutrition, holding positive attitudes toward exercise, and recognizing the benefits of exercise.

Influences on Exercise Benefits

Because exercise benefits impacts a criterion construct (nutrition behavior), it is instructive to examine the influences on this construct. Demographics do not provide substantial explanation here, showing merely that more successful persons recognize the greater mental, psychological, and work-related benefits of exercising. However, persons' exercise attitudes are consistent with the benefits they recognize; the data associate a positive assessment of exercising with recognizing the advantages of participation in these fitness activities. Concisely, the findings indicate that those who

recognize the benefits of regular and consistent exercise are more successful persons who hold attitudes toward exercise that are consistent with their perceptions of its benefits.

Influences on Nutrition Concerns

All of the demographics but gender influence nutrition concerns. Persons who have greater concerns about nutrition tend to be married, older, and more successful in life. In addition, both psychological exercise-related constructs affect these cognitions. Persons who are more likely to recognize benefits from exercising and to hold positive attitudes toward exercising are more concerned about nutrition. In that nutrition concerns subsequently affects exercise behavior, it emerges as a central construct in a network of interlocking influences that gives credence to the notion of a holistic health-oriented lifestyle. Concisely, consumers who are concerned about nutrition are more likely to be married, successful, and older, and to approve of exercise and believe in its benefits for participants.

Influences on Nutrition Knowledge and Exercise Attitudes

While the model proposes only four linkages from demographics to nutrition knowledge and exercise attitudes, the data support three of them. Females and successful persons are more knowledgeable about nutrition, and successful persons are also more favorably disposed toward exercise. To summarize, the three nutrition-related constructs are explained by eight significant (of course, hypothesized) direct effects, two additional hypothesized total effects, and three non-hypothesized total effects. The three exercise-related constructs are explained by seven (hypothesized) direct links, two additional hypothesized total effects, and one non-hypothesized total effect. Exercise behavior receives five significant (hypothesized) direct effects, one additional hypothesized total effect, and one non-hypothesized total effect. Nutrition behavior receives four significant (hypothesized) direct effects and two non-hypothesized total effects. In all, the data provide a very even explanation for the multiple constructs of the nutrition and exercise components of a health-oriented lifestyle.

IMPLICATIONS FOR MARKETING PRACTITIONERS

This section examines some of the many implications for marketers that issue from the empirical findings. It considers these implications in reference to the market as a whole, the characteristics of individual customers, entry points for marketing strategy, and suggested elements of strategy for a health-oriented lifestyle (Kraft & Goodell, 1993).

The Nature of the Market

The findings indicate that the market can be cautiously considered in holistic terms, given that there is considerable overlap involving the psychological and the behavioral elements of both

the nutrition- and exercise-related components of lifestyle. Nonetheless, two somewhat distinct segments can be discerned, those persons who are primarily nutrition-oriented and those who are primarily exercise-oriented. Further, the findings show this overlap between the two segments is somewhat asymmetrical at the level of behavior. Persons who have an interest in nutrition are more behaviorally involved in exercise than persons who have an interest in exercise are involved in nutrition. To speculate, it may be that a core of consumers, perhaps importantly consisting of younger males, exercises regularly, yet is not particularly concerned about what it eats and drinks.

Four general alternatives for designing an effective strategy are possible. First, marketers can target a general health-oriented segment by marketing aids to health improvement and maintenance in broad terms. The findings suggest that, while this strategy would likely reach some customers in both segments, it might also fail to connect with many other consumers because it is not sufficiently specific to the entry points offered by the psychological constructs and the demographic characteristics. Second, targeting either nutrition-oriented or exercise-oriented consumers could effectively and efficiently reach persons in that particular segment, regardless of these consumers' current membership in a market segment. However, this approach would likely be ineffective with those in the other segment. Third, targeting both segments in specific terms would likely be more effective, but prohibitively inefficient. Fourth, marketers could target both segments simultaneously, using relatively few, but fairly specific elements of strategy. This dual-pronged strategy would emphasize selective aspects of both nutrition and exercise, while indicating that the two components are mutually interrelated elements of a health-oriented lifestyle. The fourth alternative is both effective and efficient to the extent that (current and potential) customers for nutrition- and exercise-related offerings constitute overlapping segments.

The findings from this research indicate these two basic segments do overlap. Thus, practitioners who seek to market nutrition, whether through "diet" programs, food lines at a worksite, behavioral therapy, or other means, should recognize they can further aid their customers by encouraging and facilitating customers' participation in regular exercise. They can communicate the message that a full health-oriented lifestyle includes not only nutritional food alternatives but also a regular exercise program. Note, however, that those who supply clothing, equipment, instruction, and facilities for exercisers may find it more difficult to expand into food offerings. The findings indicate marketers who seek to expand their market in this way will find lesser success in promoting the fitness-related benefits of eating nutritional food to exercisers. Perhaps they can emphasize the dysfunctional narrowness of a lifestyle that focuses only on exercise.

Characteristics of Individual Customers

The present findings indicate some difficulties in designing a dual-pronged strategy based on consumers' demographics. The findings portray those who are most active in exercise-related activities as successful, younger, male, and single. Yet the persons most active in nutrition-related activities are successful, older, female, and married. The only common positive influence on their health-oriented lifestyle is their greater success in life.

Of course, marketers would do well to consider to what extent the (current and potential) customers identified here want external commercial support for their lifestyle. Some persons are

too independent-minded to need, for example, a wellness center or nutrition therapy (John & Miaoulis, 1992) to support their lifestyle choices. It seems the desire for outside- vs. self-help lies on a continuum that ranges from complete independence, through selective support, to complete dependence on commercial providers for promoting health and curing illness. In this sense, the more profitable targets would apparently be those customers who will not or cannot act independently. Thus, the question for marketers then becomes: which persons will be most receptive and responsive to their marketing efforts?

Marketers should note this study focuses on influences that are characterized as health-related. Yet, for some persons, the motivation for a "health-oriented" lifestyle may be minimally concerned with improving or maintaining their health. For example, persons with strong social needs may want to join with others for primarily social reasons with the benefits of exercise are less salient. Or, hypochondriacs may simply want maximum attention from, perhaps rather than relief from the healthcare system (John & Miaoulis, 1992).

Entry Points for Marketing Strategy

Marketers must identify those characteristics of consumers that influence their lifestyle, yet are accessible to marketing strategy. Such constructs in the model provide foci for efforts to influence customers' behavior, given that they have received empirical support in this study. For example, the findings indicate marketers can enter the flow of influence to motivate positive nutrition-related behavior by seeking to arouse customers' concern about nutrition, encourage their favorable attitudes toward exercise, and heighten their recognition of the benefits of exercise. Conversely, the finding that nutrition knowledge does not influence behavior suggests educating consumers would not be a productive strategy to use. Demographics, of course, cannot be influenced, but marketers should recognize them as important in devising a marketing strategy.

The finding that the flows of nutrition- and exercise-related influences on behavior overlap indicates that the constructs in both flows can be used as entry points for the suggested dual-pronged marketing strategy. For example, success exerts a positive influence on nutritional food habits and physical fitness activities. As Bloch (1984) states, the marketing implication is that better-educated persons who pursue wellness actively seek relevant information. They can better handle the details of health-related treatments and procedures, and can better understand their risks, as well. By extension, these consumers should also be more accessible to complex offerings in the marketplace. Marketing communications should follow accordingly.

As another entry point, concern for nutrition was shown to influence both nutrition- and exercise-related activities. It seems that marketers can profitably appeal to this concern with the dual-pronged strategy, perhaps drawing from what has been learned about the marketing of insurance services. This entry point seemingly provides access to various specific domains of health-related concerns; e.g., concerns involving disease prevention, proper physical functioning, sound emotional outlook, and attractiveness. As another entry point, exercise benefits (here, involving mental stability and workplace productivity) were found to influence nutrition behavior. Thus, marketers can profitably emphasize health-related benefits to their potential market, perhaps by further segmenting the market in terms of more narrowly-defined subsets of benefits.

Suggested Elements of Marketing Strategy

This sub-section suggests illustrative elements of marketing strategy. It offers somewhat speculative suggestions intended to stimulate the creative thoughts of practitioners who seek to serve this market. Given the variety of offerings that apply to this market, it is of course necessary to speak in generalities.

Product/Service Strategies. One basic strategy decision involves what range of products/services/programs is appropriate for the target market. Put otherwise, the firm must select the distinctive competencies it will develop (Stone, Warren & Stevens, 1990). If a dual-pronged strategy is used, the range of offerings and corresponding competencies must acknowledge whether the firm's customers follow a conceptually concentrated, holistic, health-oriented lifestyle (Harrell & Fors, 1985). If they do, the range of offerings may be fairly wide, although marketers can likely narrow this range to the extent they will commit to serving a clearly-defined, limited set of lifestyle activities.

The strategy may require the firm to exhibit a variety of competencies. To illustrate, the notion of experience-based management of a recreation setting suggests the value of facilitating the appropriate mix of physical, social, and managerial settings for lifestyle activities (Driver & Rosenthal, 1982). Consider marketing strategy for a health spa. Translated into this context, the concept suggests a dual-pronged strategy should address multiple dimensions of an environment created to help customers engage in their common lifestyle activities. Marketers might seek to motivate participation in exercise by a segment of more-successful females who make nutritional food choices, but who lag less-successful males in exercising. The strategy could locate an attractive health-food bar within the facility so that the women can interact socially with other successful women. This setting would provide a supportive venue for a nutritional snack and, simultaneously, the site for a vigorous workout.

Promotion Strategies. When selecting an appropriate communication strategy, marketers should certainly consider demographics, both those empirically supported here, as well as others that were not investigated. To speculate, while more-successful consumers might easily envision their success in a new workout program, management might have to convince targeted less-successful consumers they can succeed. Further, while consumers who generally rate the benefits of exercise participation highly would likely be receptive to communications involving such benefits, other persons might have to be initially informed or even constantly reminded of the importance of these benefits. Regarding the thrust of promotional messages, despite the emphasis given cognitive constructs by this study, previous studies indicate that not all health-related decisions are rational (Burns, 1992).

Promotions can reach the target market through a variety of media such as pamphlets, films, videotapes, slides, audiotapes, workbooks, and health assessment instruments. They might use such devices as sponsorship of local sporting events and sports clubs, ads in health-related publications, displays at health fairs, computer messages, interaction with live instructors, brochures, newsletters, open houses, posters, and word of mouth (Bloch, 1984; Leafgren & Elsenrath, 1986; McPartland, 1989). Their messages should use the entry points discussed above to emphasize such outcomes as

body strength and stamina, mental wellness, independence, youthful functioning, and a slim and beautiful appearance (Hertzler & Grun, 1990).

Marketers should recognize that some persons will become opinion leaders for others, which suggests the value of promoting a two-step flow of information. For example, the strategy could attempt to persuade health-care professionals by using such entry points as nutrition concerns and exercise benefits, with the hope these opinion leaders will subsequently recommend the firm's offerings to their own clients in similar terms. Or, where the findings indicate being married exerts a positive influence on another construct such as nutrition concerns, the strategy could target married persons to enhance the effectiveness of a communication designed to impact these nutrition concerns.

IMPLICATIONS FOR FUTURE RESEARCH

Overall, the model finds fairly strong support. Demographics play an important part in the flow of influence. The contribution of success is particularly noteworthy, and its role in the process of influence leading to a health-oriented lifestyle should be investigated further. As usual, the findings also reveal areas for improvement. Considering just the demographics that were used here, the model should be revised. The modification indices provided with LISREL indicate a significant link would connect gender to exercise attitudes if it were allowed. Going further, a different set of demographics, or even other personal characteristics, might furnish stronger explanation of the six endogenous constructs in the model than do the three demographics other than success. Future research should investigate this possibility.

Beyond demographics, one notable gap in the model that deserves further investigation is the failure of nutrition knowledge to influence any following constructs. If such knowledge does not link with behavior, devising a cognitive approach to motivating behavior, especially one involving food habits, becomes difficult. However, as usual, the issue of appropriate measurement of the construct should be considered. Perhaps pencil-and-paper measures of this knowledge lack validity, even though this means of measuring knowledge is broadly acceptable to educators. Quite likely, better educated persons score higher on any test of this kind, even when they are no more able to apply this knowledge to decision-making. The best operationalization of knowledge would measure that form of cognitive understanding that is actually put into practice when making behavioral choices. If it is appropriate to measure this form of knowledge, future research should search for the best way to measure this construct.

Finally, while exercise benefits affects two nutrition constructs, it does not impact exercise behavior. Future research can investigate why such a cognitive justification for exercise behavior is insufficient to motivate that behavior. Perhaps participants' involvement is less cognitive and more affective; that is, many exercisers may be seeking pleasure in the form of an emotional, or even a physiological, "high" (Clough, Shepherd & Maughan, 1989). In any case, the reason why the proposed link from exercise benefits to exercise behavior was not supported deserves further investigation; again, the possibility of a different operationalization should be considered.

SUMMARY AND CONCLUSIONS

This study proposes a model of the process of influence on consumers' pattern of activities referred to here as their health-oriented lifestyle. The empirical test of the model provides general, but qualified, support for the model. The findings indicate that persons who consume more nutritional food are more concerned about nutrition, more strongly emphasize the benefits of exercise, hold more favorable attitudes toward exercise, and are more likely successful, female, and older. Those who exercise more heavily eat more nutritional food, evince greater concern for nutrition, possess more favorable attitudes toward exercise, and are more likely successful, single, male, and younger.

Consumers who are more concerned about nutrition emphasize more strongly the benefits of exercise, hold more favorable attitudes toward exercise, and are more likely successful, married, and older. Those who stress more strongly the benefits of exercise hold supporting attitudes toward exercise and are more successful. Persons who know more about nutrition possess more favorable attitudes toward exercise and are more likely successful and female.

These empirical findings demonstrate the interlocking nature of consumers' psychological and behavioral involvement in the nutrition- and exercise-related aspects of health. The findings thus support the basic concept of this study: (1) a health-oriented lifestyle integrates both nutrition and exercise components, and (2) those who follow this lifestyle can be usefully characterized in terms of their psychological involvement in both nutrition and exercise, and by their demographics. Therefore this study has made a significant step at trying to characterize a lifestyle that has gained considerable attention in the popular press. It is the first attempt to empirically test a process model that considers many constructs involved in a health-oriented lifestyle. It provides information useful to marketers in developing strategies aimed at specific segments of nutrition and physical fitness enthusiasts.

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MARKETING STRATEGY EFFECTIVENESS IN NIGERIAN BANKS

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ABSTRACT

Motivated by the substantial changes in the Nigerian banking industry, a survey research was designed to assess the effectiveness of the marketing strategies used by Nigerian banks to cope with the changes in the industry. Overall results from the study show encouraging levels of effectiveness in many dimensions of composite marketing strategies. The findings were discussed along the relevant dimensions of the research, and managerial recommendations were made for efficient and effective marketing strategies in Nigerian banks.

INTRODUCTION

The deregulation of the Nigerian economy through SAP affected the Nigerian financial system in many ways (Umunnaehila, 1996). These include methods of licensing new banks and financial institutions, the pricing of credits and deposits, foreign exchange management, the sectoral matrix of credits and deposits, and banks' branch networking, among others. The restructuring policy of SAP, also, brought deregulations in the Nigerian banking system which encouraged many new banks to enter into the Nigerian banking industry, the results of which were shown in intense competition within and without the Nigerian banking industry. This increased competition resulted in banks seeking for clients and designing services that would meet clients' needs and wants. Consequently, Nigerian banks started designing new approaches and strategies to ensure survival and growth (Umoh, 1992). However, the performance of banks in the Nigerian banking system does not seem to have been good enough because while some banks appear to have brought dynamism, challenges, competition, and growth in the banking sector, others seem to have lost some of the confidence which their clients had in them, in addition to poor performance indices in their operations, which have resulted into all forms of distress. This unclear nature of the effectiveness of the approaches utilised by Nigerian banks to cope with changes in the banking environment constituted the major research problem of this study.

The poor condition of some Nigerian banks is a function of some interrelated problems. According to Sheng (1991), the causes of bank distress, or poor performance, are due to micro-economic factors (bank management practices and strategies) or macroeconomic factors (environmental factors). Mamman and Oluyemi (1994) have, however, posited that bank failure/poor performance in Nigeria is a function of mismanagement of relevant dimensions of organisational activities. Informed normative thought is of the impression that superiority of management is a major consideration which differentiates excellent (effective) banks from less successful (ineffective) banks, and this is in contrast to the impression that macro economic variables are the salient factors in all banking failures (Aristobulo, 1991).

Faced with the compelling need to achieve their organizational goals, Nigerian banks can explore new avenues, approaches, strategies or practices to achieve set goals and objectives. Many approaches can be used to achieve set corporate goals and objectives. These approaches are generally called strategic management, and the thrust on strategic management has given rise to strategic marketing (Jain, 1983). Marketing considerations, together with those of other functional areas of business, play an important role in designing and implementing corporate policies and strategies. Once corporate policies and strategies are designed and implemented, the role of marketing is to contribute to their achievement (Cravens, Hill & Woodruff, 1980). Marketing success is a major determinant of organisational success (Adler, 1967), and the future survival and growth of any organisation (including banks) in an economy can be said to be a function of the efficiency and effectiveness of its marketing practices (Udel, 1972).

The changes in the Nigerian banking system demand the adoption of efficient and effective marketing strategies. Nigerian banks need to adjust to the changes in the banking industry. To understand and take advantage of the changes in the industry, which may be opportunities or threats, Nigerian banks need to understand the important factors shaping the Nigerian banking industry and the relevant strategic decisions to be taken. These strategic decisions must take into account the relevant competitive, economic, political, regulatory, legal, technological, and socio-cultural factors, in addition to considering their strengths and weaknesses, among others. According to Johne and Davies (1999) organizations experiencing competitive business threat can operate efficiently and effectively through the marketing strategies of market innovation (i.e. by improving the mix of market segments served), product innovation (i.e. by improving the mix of products and services offered to clients and customers) and process innovation (i.e. by improving the mix and efficiency of internal operations). Generally, it is claimed by marketing analysts and practitioners that marketing inputs are important ingredients for achieving effectiveness (Day & Reibstein, 1997; Kim & Mauborgne, 1997; Johne, 1999). Marketing, also, has been implicated as the most exposed organizational business function to changes in environmental factors (Mann, 1980). Therefore, marketing of banking services in Nigeria requires a strategic approach in order to be efficient and effective (Nwachukwu, 1993).

This study is likely to be useful to financial institutions, service firms, and professional managers who are constantly looking for marketing approaches, practices and strategies that can be used to achieve organisational goals and objectives. Also, governments, organizations, and individuals concerned with formulating banking policies and strategies can benefit from this study. Finally, this research study is expected to stimulate research interests among academics, scholars, and students in other aspects of bank services management.

CONCEPTUAL FRAMEWORK

Marketing strategies and tactics are concerned with taking decisions on a number of variables to influence mutually- satisfying exchange transactions and relationships. Typically, marketers have a number of tools they can use, and these include megagmarketing (Kotler, 1986) and the so-called 4ps of marketing (McCarthy, 1975), among others. This section of the paper

examines certain relevant dimensions of marketing strategy and effectiveness in the following subsections.

Marketing Research

Researching the market for any product or service is undertaken to gather relevant information and data that aid a number of marketing management decisions, which include the development of a new product, modification of an existing product, the content of advertising, pricing level, distribution channels, customer and client behaviour, among others. The effectiveness of marketing research is often studied in relation to specific marketing decisions. Its importance as a marketing variable has been recognized over time (Rothwell et al., 1974; British Institute of Management, 1975; Baker & Abou-Zeid, 1982; Connell, 1979; Takeuchi & Quelch, 1983; Alexander, 1985; Walsh & Roy, 1983; among others). It seems logical, therefore, to hypothesize that market research has a positive influence on organisational performance/effectiveness. Given the dictate of the marketing concept that the customer/client is, or should be, the focus of the organization, it is axiomatic that marketing and market research be included in an organization's operations that result into managerial effectiveness.

However, investigations of the existence and effectiveness of marketing and market research have been called into some question. Criticism by Ames (1970), Wilson (1984) and King (1985), among others, has emphasised that counting the number of heads in marketing research departments, or estimating marketing research budgets, focuses on the trappings of marketing, not its substance. While much research exists which can help companies implement marketing research strategies and policies, relatively little work has been done which suggests how these marketing research variables relate to organisational performance and effectiveness, either in absolute terms or in relation to other marketing factors (Baker & Hart, 1989).

Product Strategy

Some normative and empirical researchers have posited that, ultimately, organisational effectiveness is a function of its product or service policy (Baker, 1985; Majaro, 1977; Borden, 1963; Aluko, 1983). For example, "Price" is the price of the product or service, "advertising" is the advertising of the product or service, "distribution" is the distribution of the product or service, and "promotion" is the promotion of the product or service. All of these are product considerations (Kent, 1984). NEDO (1977) published a study on non-price factors influencing export performance or effectiveness, and one of the major aspects of the research was defined as product, including design, reliability, specification, delivery, and after-sales service.

The necessity of product innovation is widely recognised as being of critical importance, not only to organizational and strategic effectiveness, but also to a nation (Baker, 1985; Kotler, 1980). It is to be noted, however, that the many factors which comprise product or service policy, (such as product differentiation, design, performance, reliability, technological advancement, superior manufacturing, new product development, product modifications, diversification, etc) are organic ways of gaining competitive advantage and achieving organizational success and effectiveness. King

(1985), in an assessment of marketing, makes the point that "Real" marketing's take-off point is designing a product or service to meet the needs and wants of a group of customers or clients. It embraces suitability for purpose, quality, design, availability, after sales service, and other aspects of a customer's/client's relationship with a product brand.

Promotional Strategy

The quality of a product/service can be enhanced by what Piercy (1982) calls 'marketing intangibles'. A number of studies have included 'service' on the list of factors distinguishing product success from failure. For example, in the list of strengths displayed by Japanese industry, Baranson (1980) included 'financial support' and 'after-sales service'.

The sales team can be a source of competitive advantage and effectiveness for a company. Piercy (1985) notes that the critical success factor (CSF) in the sampled companies was aggressive selling. Similarly, Baker and Abou-Zeid (1982) show that in award-winning British companies, personal selling was the most widely used method of promotion. A great deal has been written regarding the comparative success of various selling styles and a various sales attributes. Complex models have been developed to aid the decisions central to the management of sales forces in the field, namely: allocating selling effort and setting sales force size; territorial design; sales forecasting; evaluation and control (Bestwick & Cravens, 1977). Sales volume is also seen to be a function of environmental factors, company marketing strategy and tactics, sales-force organisation, and policies and procedures such as organisation, deployment of resources, recruiting and selection, training, rewards and incentives, evaluation and control (Walker, Churchill & Ford, 1979; Ryans & Weinberg, 1981; Avlonitis, Boyle & Kouremenos, 1985). Personal selling is an important marketing tool, which depends for its success/effectiveness on a number of factors such as organisation, training, remuneration and motivation, supervision, and evaluation (Baker & Hart, 1989).

Contemporary strategic marketing practice calls for more than developing a good product or service, pricing it adequately, and making it available to target customers or clients. Organizations should also promote their products and services to present and potential customers and clients. Udel (1968) identified marketing promotions as the most important facet of marketing strategy leading to effectiveness. Advertising, an aspect of promotional strategy, has both an informative and persuasive role, and in this respect can alter customers'/clients' perceptions of a product or service. As Pickering (1976) suggests, advertising can increase brand loyalty, thereby decreasing price elasticity through increased differentiation. Bain (1956) posits that advertising can have a cumulative and long lasting effect on organisational and strategic performance.

Pricing Strategy

Some studies have included price on the list of critical factors, which determine success and effectiveness. Atkin and Skinner (1975), for example, reveal that companies regard pricing policy/strategy as being either vital or most important to their business performance and

effectiveness. Also, Mikesell and Farah (1980) posit that the decline of the USA share of the markets in developing countries was mainly due to price factors.

By contrast, a number of writers maintain that price is the least important determinant of demand. Posner and Steel (1979), for example, contend that non-price factors are paramount in advanced countries. Such a view is upheld by the studies of Kavis and Lipsey (1971), Udell (1964) and Patchford and Ford (1976). Evidently, there is great diversity of perspective with regard to the relative importance of price and non-price factors in determining the success and effectiveness of strategies and companies.

Megamarketing Strategy

In addition to the traditional marketing mix elements (i.e., the so-called 4Ps of marketing) of product, price, place, and promotion, marketing executives can use the tool of megamarketing to achieve marketing objectives (Kotler, 1986). Megamarketing is the strategically coordinated use of economic, psychological, political, and public relations skills to gain the co-operation and understanding of some relevant parties in order to enter and/or operate in a given market efficiently and effectively.

Marketing is concerned with the management of mutually-satisfying exchange transactions and relationships between and among the relevant parties. However, it is sometimes desirable to create additional incentives, services, and pressures for non-customers/clients. Megamarketing, thus, takes an enlarged perspective of the skills and resources needed to enter and operate in certain markets or segments. In addition to preparing attractive product or offers for customers or clients, megamarketing may use connections with powerful people in positions of authority to corner marketing jobs. Also, situations exist where markets in which the established participants or approvers have made it difficult for companies with similar or even better marketing offers to enter or operate. The difficulties or barriers can be in form of discriminatory legal requirements, political favouritism, cartel agreements, social or cultural biases, unfriendly distribution channels, and refusals to cooperate, among others. These challenges and difficulties can be handled via megamarketing strategy. Marketers have traditionally defined marketing environment as those external factors, which cannot be controlled by an organisation. But megamarketing posits that environmental factors can be handled through lobbying, legal action, negotiation, public relations, among others (Zeithaml & Zeithaml, 1984). Also, traditionally, it is assumed and posited, through Say's Law of economics, that demand creates its own supply. But some markets can be blocked sometimes, thereby creating supply shortages, and this may necessitate the use of megamarketing strategy.

Distribution Strategy

An important proposition in marketing and economics is that consumption depends on availability/distribution (Baker, 1980/81). But despite its obvious importance, distribution remains a largely neglected topic in marketing (Baker, 1992; Drucker, 1962). The marketing manager has two fundamental alternatives with respect to distribution strategy: he can either seek to work closely

with intermediaries, or else assume their functions and push his products or services through the distribution channel; or he can seek to establish a franchise with ultimate consumers or clients and therefore pull his product or service through. Push strategies usually emphasize personal selling, while pull strategies tend to emphasize advertising and sales promotion (Baker, 1992). When selecting a channel of distribution for corporate effectiveness, a marketing manager should pay special attention to environmental factors, product and market characteristics, and company's strengths and weaknesses, among others.

When considering distribution policy and strategy, corporate marketing managers might try to gain competitive advantage by seeking a higher level of customer/client service. In this context, customer/client service is seen to mean all aspects of the distribution process, which add value to the exchange transaction from the customer/client perspective (Wilson, Gilligan & Pearson, 1992). However, higher levels of customer/client service can mean higher costs of distribution, and this might, therefore, reduce a company's price competitiveness and effectiveness. Wilson (1979) highlights the necessity to see costs as a whole since a reduction in one area can generate a disproportionate increase in another area. For example, it might be cheaper and more efficient to use an expensive means of transportation (e.g. air) than to maintain a number of local warehouses. The distribution strategy is possibly more difficult to manage than the other elements of the marketing mix because its operational decisions involve other functions to a greater extent. It is perhaps because of this organizational fragmentation of responsibility in distribution strategy activities that the idea of distribution as an integrative activity in business has only relative and recently developed (Wilson, Gilligan & Pearson, 1992).

The need for auditing all the marketing-mix elements stems from change, and the distribution element of the marketing mix has, perhaps, been subject to more changes than any other element of the marketing mix in some countries. For example, in the UK, substantial changes have been observed in containerisation, computerisation, and distribution channels (Wilson, Gilligan & Pearson, 1992).

According to Chen (1999), in an industry, which is as complicated as the financial industry, there is no simple formula, which can predict successful and unsuccessful organizations from the surrounding environment. Critical Success factors (CSFs) and a company's competitive ability and capability are the salient ingredients for competitive advantage (Bamberger, 1989). Therefore, an appropriate identification of a bank's CSFs can provide an avenue for assessing and building up its effectiveness and competitive advantage (Sheng, 1999). Corporate business strategy (in marketing, operations/production, finance, and personnel, among others) has been identified as an effective strategy that influences resource allocation, competitive advantage, and consequently, corporate efficiency and effectiveness (Hofer & Schendel, 1978). This research focused on the effectiveness of marketing strategies in Nigerian banks.

STUDY METHODOLOGY

This section of this paper presents the data collection and analysis approaches used in this study. Specifically, the chapter describes the study population, sample size, research instruments, and data analysis techniques, among others.

Population and Sample Size

The population for this study consisted of the banks in Nigeria, most of them having their headquarters in Lagos State of Nigeria. These banks were the commercial banks, the merchant banks, development banks, and community banks. The banks ranged from small to large banks operating in Nigerian cities, communities, and villages.

The data for this study, which was a subset of a larger study, were collected from a sample of thirty-nine licensed Nigerian banks operating in Lagos State of Nigeria. All the four big Nigerian banks (First Bank, Union Bank, United Bank for Africa, and Afribank) were included in the sample. These four big banks at a time accounted for more than sixty percent (60%) of banking activities in Nigeria (Ndekwi, 1994). Since the use of simple random sampling would have resulted in an over-representation of the small banks (Kim & Lim, 1988), the thirty-nine banks were selected on the basis of stratified sampling technique.

Subject (Ss) for the research study consisted of marketing executives in the sampled thirty-nine Nigerian banks. The respondents consisted of Assistant General Managers, Senior Managers, Managers, Assistant Managers, and Officers responsible for marketing activities in their banks. The ages of these respondents ranged from 26 to 53 years. The working experience of the respondents ranged from 2 to 33 years, with most of the respondents having very high formal education; only five respondents had Diploma certificates in banking. Also, one respondent had a degree of Ph. D, while one hundred and seventy seven (177) respondents had Bachelors and Masters degrees with professional qualifications in banking and accounting. One can, therefore, expect that these respondents were qualified enough to evaluate the marketing strategies and effectiveness of their respective banks. Therefore, subject to the usual methodological limitations imposed by a survey research approach, the data gathered for this research may be regarded as a rich data set.

Research Instrument

Three hundred and forty (340) copies of the research instrument (questionnaire) were administered to marketing executives of the sampled thirty-nine licensed Nigerian banks operating in Lagos State of Nigeria. To get the co-operation of the respondents, the nature and purpose of the research study were explained to the respondents. The respondents were, also, promised complimentary copies of the research report (as response inducement) if they so desired.

Using senior bank executives who were undergoing a six-month training at the University of Lagos Nigeria, a pilot study of three Nigerian banks was undertaken in order to test and improve the research instrument. Also, during the pilot study, cross-interviews were conducted, whenever possible, with top executives of some Nigerian banks who were not respondents to the pilot study. This was done to improve the quality of the research instrument.

Of the 340 copies of the questionnaire, 194 copies were returned. Only 183 copies of the returned questionnaire were found completed and usable, resulting in an effective response rate of 54%. This response rate is reasonably better than some response rates in previous studies involving Nigerian managers/executive (Michell & Agenmonmen, 1984; Okoroafo, 1993). According to Chen (1999), a response rate of 38 % is typical of survey research works involving banks. Also, there is

the possibility that respondents were more likely than non-respondents to engage in strategic marketing practice.

Section A of the research instrument required the respondents to indicate the emphasis their banks have placed on specific aspects of marketing strategies using a six-point scale ranging from "Very high emphasis" (5) to "No emphasis at all" (0). Section B consists of subsections B1 and B2. Subsection B1 of the research instrument required the subjects to provide some quantitative data of their banks' performance with respect to average gross earning, average market share, average marketing cost as a percentage of total cost, and average profit before tax. Subsection B2 asked respondents to indicate the relative effectiveness of their banks' marketing strategies in achieving their banks' performance measures, ranging from "very effective"(5) to "Not effective at all" (0).

Section C of the research instrument asked respondents to provide some of their personal data (age, working experience, educational qualification, and the position/title of respondent). Respondents were also, asked to list five managerial problems affecting the effectiveness of strategic marketing practices in their banks, and were required to suggest solutions to the identified problems. These identified problems and solutions were utilized in discussing the findings of this research study.

Operationalization of Research Variables

Two major variables were used in this research. They include marketing strategy variables, and bank performance variables. Marketing Strategy Variables were developed from relevant literature (Udel, 1972; Kotler, 1986; Bush & Brobst, 1979; Baker & Hart, 1989). These marketing strategy variables include product strategy, promotional strategy, pricing strategy, distribution strategy, and mega-marketing strategy. These five broad marketing strategy variables were operationalised into twenty- seven (27) items.

Bank performance variables were both quantitative and qualitative. Quantitative bank performance variables were provided by respondents in the questionnaire on average gross earning, average market share, average marketing cost, and average profit in the last five years. Qualitative data on bank performance were obtained from respondents' perceptual response on the extent to which the following performance measures have been achieved using their banks' marketing strategies: Profit, Market share, Marketing cost, Gross earnings, Capital employed, Asset quality, Quality of marketing management practice, Liquidity, Turnover of top marketing staff, Management of departmental crisis.

| Table 1.0 Reliability Coefficients of Marketing Strategy Measures | | | |
|---|---|-------------------------|----------------|
| S/N | Variable Measures | Reliability Coefficient | |
| | | Cronbach alpha | Split half |
| 1 | Marketing Strategy Emphasis | 0.90 | 0.97 |
| 2 | Effectiveness of marketing strategy using qualitative measures of performance | 0.88 | Not calculated |

The marketing performance measures were developed from the works of Mathew, Buzzell, Levitt, and Frank 1964, and the modified bank performance/CAMEL measures of Adewunmi (1985), which comprise Capital adequacy, Asset quality, Management practice, Earnings, and Liquidity (CAMEL).

The normative and empirical works of Leithmann and Hulbert (1972), Lassitz and Greene (1975), Kinnear and Taylor (1983), Levine (1981), Blalock (1979), Wimmer and Dominik (1987), Perry (1981) Nie et al (1975), Labovitz (1970, 1975), Abelson and Turkey (1970), Steers (1975), McNemar (1972) and Ekpo-Ufot, 1992, among others, provided the intellectual prop for the measurement scale, reliability and validity, and the data analysis methods used in this research.

The reliability of the research instrument was determined by using the Levine (1981) version of split-half reliability test and Cronbach alpha formula. Split-half reliability coefficients were not calculated for some of the measures in the research instrument because these measures did not meet the condition for split-half method (Goode & Hatt, 1952). The calculated reliability coefficients met Srinivasan's (1985) acceptability criterion of 0.7 or higher reliability values. Moreover, Chen (1999) posits that a reliability coefficient of 0.5 or higher is considered sufficient when dealing with exploratory research combined with invalidated data. Statistical analysis used included descriptive statistics and Pearson's product moment correlation analysis. All the data analysis procedure (descriptive statistics and Pearson's product moment correlation analysis) was accomplished using the IBM SPSS/PC+ computer package. Data analysis was done at 95% confidence level or higher

RESULTS AND DISCUSSION

Effectiveness of Strategic Marketing Practices

Table 2.0 presents the descriptive statistics of the effectiveness of strategic marketing practices of the studied banks. The finding shows that strategic marketing practices have been reasonably effective in banks, with strategic marketing effectiveness being highest in C26 (asset quality), C25 (capital employed) and C2 (liquidity). The essence of strategic marketing is to achieve set objectives, and these objectives can be measured in terms of profit, market share, marketing cost, gross earnings, capital employed, asset quality, quality of marketing management, liquidity, turnover of marketing staff, and management of department crisis. The effectiveness of strategic marketing practice in the studied banks is encouraging, with the highest level of effectiveness (96.1%) shown in asset quality, capital employed, and liquidity. These are the CAMEL measures of performance. According to Umoh (1992), the effectiveness of banks' strategies determines the survival and growth of banking system in Nigeria, especially in an ever-changing banking environment, and it is conventional in banking to assess the effectiveness of a bank through the CAMEL (C = Capital Employed; A = Assets quality; M = quality of Management; E = Earnings, and L = Liquidity) measure. Effective bank management through strategic marketing assists in the employment of capital raised, and manages the banks' asset portfolio in viable business options so that the assets are seen to be performing and yielding returns. The marketing strategies of banks, in order to show reasonable levels of effectiveness along the CAMEL measures, have to emphasize a marketing

management team with foresight, experience, and commitment towards the survival and growth of the bank, among others.

TABLE 2.0: DESCRIPTIVE STATISTICS OF EFFECTIVENESS OF MARKETING STRATEGY USING QUALITATIVE MEASURES OF PERFORMANCE (N = 183)

| Marketing Strategy Performance Measures | Means | Standard Deviation | Variances | Frequencies (%) | | | | | |
|---|-------|--------------------|-----------|-----------------|------|------|------|-----|-----|
| | | | | 5 | 4 | 3 | 2 | 1 | 0 |
| C2 1 | 3.92 | 0.955 | 0.912 | 28.9 | 42.1 | 21.1 | 3.9 | 2.6 | 0 |
| C2 2 | 3.54 | 0.944 | 0.892 | 14.5 | 39.2 | 34.2 | 9.2 | 2.6 | 0 |
| C2 3 | 3.03 | 0.9 | 0.811 | 13 | 26.3 | 44.7 | 14.5 | 3.9 | 1.3 |
| C2 4 | 3.93 | 0.829 | 0.685 | 21.1 | 52.6 | 15.8 | 3.9 | 1.3 | 0 |
| C2 5 | 3.81 | 0.85 | 0.722 | 19.7 | 42.1 | 28.9 | 2.6 | 1.3 | 0 |
| C2 6 | 4.2 | 0.91 | 0.827 | 43.4 | 39.5 | 13.2 | 1.3 | 2.6 | 0 |
| C2 7 | 3.52 | 0.891 | 0.794 | 7.9 | 50 | 30.3 | 6.6 | 3.9 | 0 |
| C2 8 | 4.35 | 0.867 | 0.752 | 52.6 | 31.6 | 9.2 | 2.6 | 1.3 | 0 |
| C2 9 | 3.22 | 1.109 | 1.229 | 11.8 | 27.6 | 34.2 | 14.5 | 7.9 | 0 |
| C2 10 | 3.37 | 1.054 | 1.112 | 13.2 | 30.3 | 39.5 | 9.2 | 3.9 | 1.3 |

Oluyemi (1995) posits that the most widely accepted measure of performance of licensed bank is current profitability, which is measured in terms of return on assets and return on equity. For example, return on equity measures the extent to which banks' strategic marketing practices have created value from the funds provided by bank owners. A Nigerian bank that creates comparatively large amounts of value (in relation to its equity) through its strategic marketing practices can be said to show high level of effectiveness. And as table 2.0 shows, the studied banks have shown appreciable levels of effectiveness using the identified measures of performance.

The Relationship Between Emphasis on Marketing Strategy Variables and Performance Measures

Table 3.0 presents the correlation between emphasis on dimensions of marketing strategy (B1 1 to B1 32) and quantitative measures of performance (C1 i to C1 iv). The crucial quantitative marketing performance measures of average gross earnings (C1i), average market share (C1ii), marketing cost (C1iii), and average profit (C1iv) were predicated to be positively associated with emphasis on each of the marketing strategies.

| | C1i | C1 ii | C1 iii | C1 iv |
|----------|----------|-----------|---------|---------|
| B1 1 | 0.1666 | 0.1248 | 0.003 | .2171** |
| B1 2 | 0.0931 | 0.1172 | 0.195 | 0.0041 |
| B1 3 | 0.0443 | 0.1574 | .2008** | 0.0615 |
| B1 4 | -.1782** | .4821* | 0.136 | 0.1734 |
| B1 5 | 0.1358 | -0.128 | .2366** | 0.0818 |
| B1 6 | .1969** | .2415** | 0.1543 | 0.0135 |
| B1 7 | .3072* | .2971* | 0.1666 | 0.0146 |
| B1 8 | 0.0454 | 0.152 | 0.0023 | 1.733 |
| B1 9 | 0.791 | 0.0597 | .2607** | 0.1152 |
| B1 10 | 0.16 | 0.1474 | .3901* | 0.0013 |
| B1 11 | 0.0608 | 0.0879 | .2973* | 0.0882 |
| B1 12 | .4792* | .5561* | .2683** | 0.221 |
| B1 13 | .1985** | .3921* | .2838* | 0.0171 |
| B1 14 | .2281** | .4185* | .2393* | 0.0705 |
| B1 15 | .2688** | .3578* | .3809* | 0.1485 |
| B1 16 | 0.3139 | 0.3931 | .3652* | 0.0982 |
| B1 17 | .3467* | .6310* | 0.1575 | 0.685 |
| B1 18 | .3470* | .6837* | .2987* | 0.445 |
| B1 19 | .2833* | .5309* | 3905* | 0.0308 |
| B1 20 | .2375** | .5450* | .3777* | 0.38 |
| B1 21 | 0.1475 | .2900* | .3623* | 0.0222 |
| B1 22 | 0.1671 | .4663* | .3416* | 0.1727 |
| B1 23 | 0.0682 | .2654** | 0.124 | 0.0005 |
| B1 24 | .2765* | .2943* | 0.1117 | 0.0281 |
| B1 25 | .2335** | .3471* | .2299** | 0.0534 |
| B1 26 | 0.1536 | .4273* | .1993** | 0.0117 |
| B1 27 | .3806* | .3616* | 0.1267 | .1927** |
| B1 28 | .3497* | .6022* | 0.1399 | 0.0392 |
| B1 29 | .3693* | .4993* | 0.169 | 0.0071 |
| B1 30 | .4219* | .4733* | .2791* | 0.1161 |
| B1 31 | 0.1039 | .4505* | .2787* | 0.0082 |
| B1 32 | .2377* | 0.174 | .2065** | 0.0302 |
| * P<0.01 | | ** P<0.05 | | |

Sixty of the 128 coefficients (47%) are statistically significant at 95% confidence level or higher. The data can, therefore, be accepted as above chance.

The best predictor of gross earnings (C1i) is pricing strategy (B1 30) with a correlation coefficient of 0.4219, P<0.01. This finding has empirical support in the work of Atkin and Skinner (1975) who reveal that companies regard pricing strategy as being either vital or most important to their performance. Bank clients may have the impression that high interest rates imply high quality of bank services. More clients would, therefore, patronize banks whose prices (interest rates, COTs) are commensurate with their quality of service, thereby increasing the revenue of such banks. Also,

as bank clients get favourable commissions on turnover from banks, more clients will be encouraged to use the services of the banks, thereby raising the revenue of such banks.

The best predictor of market share is service strategy (B1 28). This finding is in line with the findings of previous researchers who posit that performance (such as market share) is a function of product strategy (Baker, 1985; Majaro, 1977; Borden, 1963). It may be that as banks engage in aggressive introduction of new bank products, market penetration, and market development, its share of the market increases as more and new bank clients are sourced through these strategic marketing practices.

Profit is significantly associated with B11 (banking service quality 0.2171, $P < 0.05$) and B1 27 (use of powerful connections 0.1927, $P < 0.05$). These two findings were expected. But majority of the findings linking profit and dimensions of marketing strategies were not statistically significant at 95% level or higher, and were not expected. The positive and significant association between bank service quality and profit can be explained as improved quality of banks' services encourages more clients to patronize such a bank, thereby bringing more revenue and profit to the organisation. Bank clients who are encouraged by banks' high service quality will remain loyal to the bank and will promote the high quality of the bank to other clients. This means added revenue for the bank, which consequently leads to more profit. According to Evans (1995), a 2% increase in customer loyalty to improved service quality has the same impact on company profit as 10% reduction in costs. Bank clients who are delighted by improved banks' service quality will give a substantial patronage to the bank without looking for alternatives.

Table 4.0 presents the correlation coefficients between emphasis on marketing strategy variable (B1 1 to B1 32) and degree of effectiveness of strategic marketing practice using qualitative measures of performance (C2 1 to C2 10). Most of the correlation coefficients are statically significant at 95% confidence level or higher. Of the 320 correlation coefficients, 258 (or 80.6%) of them are statistically significant at 95% confidence level or higher.

It can be observed from table 4.0 that the marketing strategy variables that have highest correlation coefficients with qualitative measures of effectiveness are all product strategy variables. As has been stated previously, successful performance of an organisation is ultimately a function of its product strategy (Baker, 1985; Majaro, 1977; Borden 1963). Also, the necessity for product innovation has been widely recognized as being of critical importance both to an organisation and a nation (Baker, 1985; Kotler, 1980). According to Reisz (1980), among the strategic variables, which enable a firm to adjust efficiently and effectively to an ever-changing external environment, product strategy is always identified as being crucial to long-term survival, effectiveness and development of the firm.

A comparison of tables 3.0 and 4.0 shows that there are more significant correlation coefficients in table 4.0 than in table 3.0. It should be noted that banks are usually secretive in giving out quantitative performance measures. According to Davies et al (1993), as banks do not reveal some of their performance measures, it is not possible to harmonise totally the measurement of their performance. Adewunmi (1985) posits that the credibility of any basis for measuring the relative performance of Nigerian banks is doubtful as a result of their variety in size, activities and specialization. Also, Ojo (1992) has said that bank performance assessment has some difficulties because of the nature of bank objectives, which are often conflicting, and suggests that both

quantitative and qualitative measures be used in order to assess bank performance. According to Agu (1988), there exists no single valid measure of bank performance. However, the fact that some of the correlation coefficients are positive and significant in both tables 3.0 and 4.0 raises confidence in the meaningfulness of the research results.

Table 4.0: Correlation Matrix of Emphasis on Marketing Strategy Variables and Effectiveness or Strategic Marketing Practice (Using Qualitative Measures of Performance)

| | C2 1 | C2 2 | C2 3 | C2 4 | C2 5 | C2 6 | C2 7 | C2 8 | C2 9 | C2 10 |
|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| B1 1 | .4981* | .2413** | .2643** | .5092* | .2821* | .9603* | .4015* | .5337* | .2151** | .2306** |
| B1 2 | .6100* | .4864* | .3845* | .5709* | .4510* | .5729* | .3386* | .5466* | .2995* | .3762* |
| B1 3 | .5554* | .4432* | .1873** | .5748* | 0.1346 | .3122* | .4055* | .2366* | .1990** | .3779* |
| B1 4 | .4464* | .4453* | .3119* | .3433* | .4010* | .3543* | .2378* | .4006* | .2559* | .2634** |
| B1 5 | .4899* | .3860* | .2666** | .4155* | .3857* | .3867* | .4175* | .5955* | 0.1278 | .3585* |
| B1 6 | .6653* | .5870* | .6024* | .6642* | .4943* | .5726* | .5900* | .6146* | .4638* | .5418* |
| B1 7 | .7181* | .7262* | .5559* | .6285* | .6089* | .6011* | .6043* | .6202* | .4733* | .5962* |
| B1 8 | .5572* | .5710* | .6609* | .4505* | .4065* | .6232* | .5367* | .5289* | .6035* | .6509* |
| B1 9 | .1852* | .2761* | .2169** | 0.1345 | .3493* | 0.1469 | .4926* | .3899* | .2362** | .5681* |
| B1 10 | .3285* | .3485* | .5293* | .5349* | .2543* | .5185* | .4228* | .6209* | .5396* | .5767* |
| B1 11 | .5413* | .5820* | .1739* | .4946* | .6066* | .4388* | .5211* | .4510* | 0.0725 | .4002* |
| B1 12 | 0.761 | .2940* | .2037** | 0.0386 | .2933* | 0.0328 | .2128** | .1889** | 0.0631 | .3431* |
| B1 13 | .4231* | .4343* | .3144* | .4124* | .3208* | .3622* | .4933* | .2852* | .2447** | .4562* |
| B1 14 | .5312* | .5709* | .5020* | .4580* | .5758* | .3573* | .4647* | .3881* | .3937* | .5704* |
| B1 15 | .3650* | .4669* | .2047** | .2483** | .5362* | .2953* | .3451* | .2904* | .4366* | .3930* |
| B1 16 | .3502* | .4596* | 0.1668 | .2641** | .4754* | .2595** | .3767* | 0.1753 | .3691* | .3391* |
| B1 17 | 0.1165 | .3813* | .3064* | 0.0263 | .3409* | .3008* | 0.0998 | .3209* | 0.1028 | 0.2435 |
| B1 18 | .2453** | .3057* | 0.0909 | .2452** | .2739* | .2449** | .2307** | 0.1156 | .3563* | .2043** |
| B1 19 | .2305** | .2905* | .1932** | 0.602 | .3100* | .2705* | .1837** | .2723* | 0.1253 | 0.0289 |
| B1 20 | .2853* | .3871* | 0.0723 | 0.1704 | .3079* | .2843* | .2669** | 0.0579 | 0.1548 | 0.12 |
| B1 21 | .2771* | .2985* | -0.0648 | .2448** | .1970** | 0.1586 | .4128* | 0.0687 | .2668** | .2217** |
| B1 22 | .4754* | .4969* | .5047* | .3356* | .3386* | .3386* | .2944* | .3623* | .2314** | .4097* |
| B1 23 | .6562* | .6011* | .2784* | .5861* | .4560* | .3993* | .4758* | .2935* | 0.133 | .3336* |
| B1 24 | .1931** | .2403** | 0.0083 | 0.1254 | 0.1219 | 0.425 | 0.1166 | -0.0414 | 0.1525 | .2141** |
| B1 25 | .3323* | .3902* | 0.1638 | .3646* | .2286** | .3112* | .2694** | .3030* | .2734* | .3310* |
| B1 26 | .6916* | .7220* | .4907* | .5736* | .6017* | .5627* | .5323* | .4251* | .5263* | .5087* |
| B1 27 | .5967* | .5507* | .2243** | .5309* | .4482* | .3516* | .5216* | .3098* | .5193* | .5016* |
| B1 28 | .5125* | .5967* | .1854* | .4787* | .5264* | .3505* | .3983* | .3337* | 0.1529 | .3914* |
| B1 29 | .4654* | .6455* | .3279* | .3997* | .5101* | .3804* | .4132* | .3556* | .3637* | .5298* |
| B1 30 | .3075* | .4651* | 0.1328 | .2738* | .4490* | .2278** | .3621* | .2102** | .2570** | .3334* |
| B1 31 | .3772* | .4417* | 0.1567 | .3198* | .4569* | .2516** | .2848* | .2213** | 0.1176 | .3259* |
| B1 32 | .4742* | .4638* | .2579** | .4022** | .4154* | 0.166 | .4241* | .2906* | -0.0127 | .2426** |

* P<0.01

** P<0.05

CONCLUSIONS, RECOMMENDATIONS, AND SUGGESTIONS FOR FUTURE RESEARCH

The following comments on the findings of this research should be noted. First, capital adequacy is one of the indicators of bank performance. The best strategic marketing practices cannot turn around an ailing bank if it does not have an adequate capital base. Second, asset quality is another encouraging measure of bank performance. It has been observed that in the era of SAP, the Nigerian banking sector has been under server stress due to the incidence of large sums of non-performing loans (bad debts), and there was no appreciable improvement in the performance of banks with regard to asset quality (Oluyemi, 1995). This may have substantially influenced the strategic marketing practices and performance of banks. Third, quality of management, which constitutes the major difference between sound and unsound banks, is an important measure of banks' performance. It has been observed, however, that in many insured Nigerian banks, especially those in distress, the major problems in the banks emanated from the poor performance of key management staff in the banks. Since the introduction of the Structural Adjustment Programme (SAP) in Nigeria, the management environment of Nigerian banks has been characterised by inept management coupled with instability of staff (i.e. frequent turnover of staff) in the tenure of office of key management staff. This situation was worsened by the increase in the number of licensed banks as well as the growth in the number of other non-bank financial institutions, and interpersonal conflicts among top bank management staff. These issues may have substantially affected the efficacy of strategic marketing practices and performance of Nigerian banks.

A Bank's profitability is perhaps the most widely used measure of performance of licensed banks, but data on banks' profitability in the era of deregulation are difficult to verify since bank (until recently) were not mandated to submit their monthly or quarterly profit and loss accounts to regulatory supervisory authorities. Guided by the reported improved profit of some banks during the SAP period, one is bound to say that while some banks performed poorly, others actually did very well with regard to profitability. The high incidence of non-performing loans and advances had some adverse effects on some banks earnings and profit, and should be noted in the evaluation of the data on the effectiveness of strategic marketing practices as reported in this research.

Tables 3.0 and 4.0 show the correlation coefficients between strategic marketing practices and measures of performance. As has been discussed previously, measures of performance (qualitative and quantitative) have been reasonably predicted by the strategic marketing practices of banks. Also, as noted previously, there exist normative and empirical studies supporting the findings of this research.

The findings of this research show that the performance (effectiveness) of Nigerian banks has been encouraging. In spite of the constraints noted above, some banks have shown sound and excellent strategic marketing practices in their banking activities. Since marketing is only one of the organic business functions, strategic management activities in the other business functions have to be synergistically combined with strategic marketing practices in order to achieve sound corporate banking performance.

Based on the findings of this research, the following conclusions are warranted:

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| 1 | <i>There have been substantial levels of effectiveness of strategic marketing practices in Nigerian banks.</i> |
| 2 | <i>Most of the findings of the research are consistent with previous normative and empirical works.</i> |
| 3 | <i>The research instrument shows high validity and reliability.</i> |

The findings of this research study have several managerial implications for Nigerian banks. First, Nigerian bank managers are advised to place more emphasis on megamarketing strategies since the Nigerian business environment seems to thrive more on contacts, connections, and linkages with people and powerful decision makers in government and society.

Second, with the competitive banking industry of today, Nigerian banks can put more emphasis on relationship marketing to ensure effectiveness. This essentially entails personalizing the bank services offered to clients, attending to clients' cultural and social activities, in addition to other non-business activities, which are of interest to clients. Third, as bank clients are demanding more quality from their banks, it may be a strategic option to inject the idea of total quality management (TQM) and its variants among bank staff. Fourth, Nigerian banks are well advised to consider the principles and concepts of synergy in their bank services marketing. This may entail considering the implications of any marketing strategy decisions on the other organic business functions. Relatedly, Nigerian corporate marketing executives should make their banks learning organizations. In such learning organizations, bank staff would always be inquiring into the total or systemic impacts of their business behaviours, instead of just concentrating on the local effects of their business behaviours (Chen, 1999).

Effective bank marketing strategies in Nigeria may hinge on an intelligent understanding of beneficial marketing strategies, the relevant environmental factors that assist or hinder the efficacy of marketing strategies, and how marketing strategies and environmental factor singly or wholly determine bank performance. Despite the satisfactory performance of Nigerian banks in their marketing strategies, as reported in this research, Nigerian bank marketing managers are advised to undertake extensive marketing research and SWOT analysis. Instability of regimes and policies, and variations in other environmental factors can still pose challenges to bank marketing in Nigeria. It should be noted by Nigerian bank managers that bank reputation and good image, staff politeness and kindness, in addition to the managerial ability of corporate bank managers are the salient factors implicated in bank efficiency and effectiveness (Chen, 1999).

The descriptive nature of this research study should be noted so that its limitations can be understood. Also, lack of universally accepted criteria in the measurement of bank performance may have been a serious limitation to this type of research and should be recognised. Bank executives sometimes treat data on banks and the managerial practices of bank executives with secrecy. This executive behaviour may have been a limitation in this study. Also, organisational employees rather than outsiders, such as bank clients, have supplied indicators of marketing strategies and some performance measures. The data supplied by these organisational staff may have been biased by their positive or negative attitude to their bank management.

KEYS TO VARIABLES USED IN THIS SECTION

B11= Banking service quality; B12= Introduction of new products; B13=Deletion of old products; B14= Research and development; B16= Market penetration; B17= Market development; B18= Marketing research; B19= Post – sale service; B110= Service branding; B111= Emphasis on: Service advertising; B112 = Personal selling; B113 = Sales promotion; B114 = Public relations; B115 = Price skimming; B116 = Price penetration; B117 = Pricing based on government rules; B118 = Pricing based on competitor’s practice;B119 = Pricing based on what the market can bear;B120 = Cost - plus pricing; B121= Rebates;B122= Opening branch offices;B123= Prospecting to clients’ location;B124= Use of intermediaries;B125= Using bank chairman to get clients;B126= High- level public relations;B127= Use of powerful connections;B128= Service strategy;B129= Megamarketing strategy;B130= Pricing strategy;B131= Promotional strategy;B132= Place/location strategy; B1i= Product strategy;B1ii= Composite promotional strategy;B1iii= Composite distribution strategy;B1iv= Composite pricing strategy; B1v= Composite Megamarketing strategy;C21= profit; C22= market share ;C23=marketing cost ;C24= gross earning ;C25= capital employed; C26=Asset quality ; C27= quality of marketing management; C28= liquidity; C29= turnover of marketing staff; C210= management of departmental crisis; C1i= Average gross earnings; C1ii=Average market share; C1iii= Average marketing cost; C1iv= Average profit.

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EXPLAINING THE GAP BETWEEN COMPULSIVE AND NON-COMPULSIVE BUYERS REGARDING THEIR ACTUAL/IDEAL SELF-DISCREPANCIES: HOW DIFFERENT, ACTUALLY, ARE THEIR IDEAL IMAGES?

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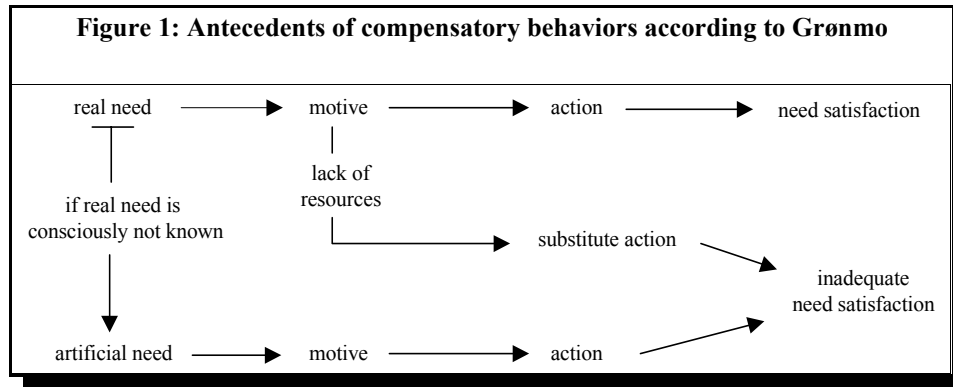
ABSTRACT

It has been shown in a number of studies that consumers not only buy because they need a certain product but also because the shopping experience and the act of buying itself serves needs like diversion, self-gratification, sensory stimulation, physical activity, and aesthetic enjoyment (e.g., Kleine, Schultz-Kleine & Kernan, 1993; Levy, 1959; Sivadas & Venkatesh, 1995). A further aspect of shopping is its function as a compensatory instrumentality for satisfying immaterial needs. The present paper examines the compensatory function of buying and its extreme manifestation buying addiction. Despite often serious social, psychological and economic consequences, compulsive buying continues to be generally regarded as a somewhat marginal problem: "Oh yeah, my neighbor, she is a bit crazy about shopping. She's a shopaholic." Popular media portrayal of the issue has also tended to trivialize and sensationalize certain aspects of compulsive buying behavior. To dispel some of the myths surrounding this form of consumption behavior and to contrast it to 'normal' compensatory shopping behavior, the compulsive buying experience and the characteristics of the compulsive shopper are portrayed in more detailed. Quotes from in-depth interviews are used throughout to make the various aspects of the behavior more tangible to the reader. The findings presented are partly based on an extensive literature review and partly based on results from a research project conducted in the UK in the mid 1990s. The study included a survey with a total of 271 respondents and 55 in-depth interviews. Further, in order to explain the underlying mechanisms that motivate the behavior, the role of actual/ideal self-discrepancies and materialism are considered. The in-depth interviews add to these findings by providing examples of why certain groups of consumers become addicted to buying, how they came to rely on material goods as their preferred compensation mechanism and which ideal images they try to achieve via purchasing consumer goods. Overall, the paper is situated in the field of altruistic marketing that emphasizes the study of negligent or problematic consumer behavior, and the development of treatment and preventive methods to reduce the maladaptive actions of consumers.

COMPENSATORY CONSUMPTION

Within a psychological context, compensatory consumption has been described as an inadequate attempt to obtain need satisfaction. It is an effort to make up for failure or weaknesses in one activity through excelling in another activity, which is a priori not more valuable or desirable

(Grønmo, 1988; Hilgard & Atkinson, 1967). In a sociological context, compensatory consumption is a reaction to threatened status, a way to make up for some lack or loss. It includes attempts to gain self-esteem by developing some quality other than the quality a person feels lacking. At the same time, the importance of the quality that is lacking is denied (Fairchild, 1968).



According to Grønmo (1988) two types of compensatory behavior can be distinguished. People may a) engage in compensatory behavior because of resource poverty or b) because they are unconscious of their real, objective needs. In the first case, real needs and motives are known, but a lack of resources prevents people from taking adequate action to satisfy their needs. In the second case, all actions taken are necessarily inadequate because they are not motivated by real needs. Hence, not only an inconsistency between motive and action exists but also an inconsistency between need and motive (see Figure 1 above).

Attempts to differentiate between real and artificial needs have been a topic of much discussion in the literature because the arguments that have been put forward are often value laden and judgmental. A reason for this is that needs are based on subjective rather than on objective observable experiences. Therefore, based on scientific grounds it is difficult to determine whether a need is real or whether it has been artificially created. As a way around this, Hondrich (1983) proposed to distinguish between real and artificial needs based on the outcome of the actions taken to satisfy the need. The outcome can be assessed by asking the following questions: Did the action lead to inadequate or adequate need satisfaction? What were the intended or unintended consequences of the need satisfaction process and what kind of effect did it have on the satisfaction of other needs? Within the context of consumption, one may ask: Am I satisfied with the product I have purchased or do I feel regret or guilt? Did I stay within my financial limits or have I violated financial constraints and put myself into debt at the risk of losing financial security? If one does feel regret and guilt because for instance one did not really need the purchased object, or due to having purchased it one can now no longer buy other needed items, then the buying motivation was likely not based on an authentic true need. One might then ask the question what kind of need did one actually try to satisfy with the purchase? Was it the hunger for love and recognition, did one feel left out and neglected, was it to compensate for a heated argument with one's partner? If so, then a likely reason for having purchased the item is the promise of comfort, relief or self-enhancement that has been attached to the product in form of a symbolic message. The purchase, thus, was motivated

by an artificially created need. In a different situation, however, the purchase of the same object can be based on a real need. This shows how difficult it is to objectively determine whether an action is based on a real or on an artificially created need. Despite this difficulty, it is still possible to pinpoint a number of basic or essential needs; at least as far as individuals from Western consumer societies are concerned.

Following Maslow (1954), basic human needs can be classified according to five criteria: physiological needs (e.g., food, water, air, shelter), safety and security needs (protection, stability), social needs like affection, friendship and belonging, Ego needs (prestige, success, recognition, self-respect) and self-actualization (self-fulfillment, competence). Other authors developed different criteria, but essentially referred to the same needs. Alderfer (1972) for example proposed that basic needs are comprised of a) existential needs; b) relatedness needs and c) needs for growth and development. Nuber (1993) extended Maslow's list by adding three further needs: a cognitive need, which is expressed in needs for knowledge and education, an aesthetic need that longs for order and beauty, and a need for transcendence and unity with the cosmos.

Maslow proposed that needs are organized hierarchically based on the observation that all basic human needs have to be satisfied at some point. If one of these basic needs remain unsatisfied over a prolonged period of time, it cannot be held back longer and takes precedence over all other needs. Physiological needs form the most basic level within this hierarchy because hunger for example can only be suppressed for so long before it interferes with attempts to satisfy other needs. This most basic level is followed by safety and security needs on the second level, then by social and relatedness needs on the third level, ego needs on the fourth level and needs for self-actualization on the fifth level. Cognitive and aesthetic needs, according to Nuber, may be positioned somewhere between Maslow's fourth and fifth level. The implicit assumption is that lower order needs are predominant as long as they remain unsatisfied. In other words, self-actualization is difficult to achieve on an empty stomach, with no appropriate shelter, without feeling secure and loved and lacking in self-respect.

As all of the above needs are considered to be basic needs, they all have motivating power driving individuals to engage in appropriate action to seek fulfillment. If a need remains unsatisfied individuals will experience a deficiency that either motivates them to satisfy the need, or if this is not possible, to seek compensation. In the latter case, according to Freud, one possibility is to re-direct the unsatisfied need to a higher order need, for example by seeking satisfaction in intellectual or artistic activities for a perceived lack of affection and belonging. Freud called this strategy sublimation. Another strategy is to seek ersatz in a regression to the next lower level (Alderfer, 1972; Schnable, 1979; Scherhorn, 1995). If for instance the need for self-actualization is not satisfied, then people may try to compensate this lack via Ego needs, i.e. they will be more inclined to strive for recognition, success and approval. If the social need for love, affection and belonging is not satisfied, individuals might increasingly seek out security and protection or try to satisfy the need via food intake.

Empirical evidence for the various forms of compensation has been provided by a number of authors. Lange (1997) for example reported that young people from lower social classes and with lower levels of education exhibit a higher prestige orientation. This means that they show a higher tendency to purchase certain symbolically loaded products for the purpose of impressing friends and

relatives. Other authors reported that people who either feel trapped in low social class positions or who experience a loss of status and personal identity due to unemployment are more likely to engage in excessive consumption of conspicuous products like clothing, modern appliances, owned homes and automobiles (Caplovitz, 1963; Chinoy, 1952; Jahoda, Lazarsfeld & Zeisel, 1933; Lynd & Lynd; 1937). Symbolically these kinds of products stand for the advancements and social mobility that have been denied to these individuals and provide visible evidence for the kind of status they desire. In addition, owning these products provides unemployed or low status individuals with feelings of self-respect because not having such products would mean to admit to failure since 'getting ahead' is greatly valued.

From the empirical findings, it can be derived that individuals in consumer societies seem to heavily emphasize the consumption of objects as a reaction to a general lack of esteem, education, knowledge or self-actualization. According to a number of authors, such attempts are likely to fail because material objects can never be an adequate replacement for unfulfilled immaterial needs (see for example Grønmo, 1988; Kilbourne, 1991; Marcuse, 1964; or Scherhorn, 1994). A reason for this is that the inherent qualities of consumer products have little in common with the kind of satisfaction that is sought, even if advertising messages may try to convince consumers otherwise.

In advertising messages, it is often promised that through the consumption of goods all sources of discontent can be solved. On offer are mass-produced solutions that appeal to the 'instinctive' strivings of the individual as well as to the ills of mass society itself. This is achieved by surrounding the product with an aura of all the things that potentially could be missing in a person's life like romance, exotic places, vivid experiences, love, beauty, adventure, freedom or comfort (King, 1981; Lash, 1979; Scherhorn, 1994). If the consumer 'buys' into these messages, the commodity itself is transformed into a placebo. It is no longer important for its utilitarian value but for its symbolic meaning and the image it stands for. The paradox is that we, as consumers, are often not consciously aware that we are lured into buying an item for this reason. If an advert is done well and the message is mainly communicated to our emotional right brain, then the left part of our brain, which is responsible for analytical thinking and language, becomes idle (see King, 1981). Thus, the information provided by ads may not be accessible to rational analysis and is persistent in spite of reasonable appeals to good-judgment and self-interest. An additional effect is that emotional advertising appeals result in positive affective reactions, which have been shown to relate to higher ad and brand recognition, to an enhanced impression of the brand and a smaller inclination to think of reasons not to buy the product (Geuen & DePelsmacker, 1998).

In addition, to the appeals that are made to a person's emotions, advertising also makes use of human vanity by endowing consumers with a critical self-consciousness that keeps them dissatisfied and discontent with their own person and mode of life. The conveyed message is that it is not you who is beautiful or who has the ability to make friends, but your commodified smile, your embellished hair, your luxury car, and so on. Anything natural about the consumer is portrayed as worthless or needing improvement. The aim is to make consumers schizophrenically self-conscious in order to channel their desire for social success, recognition and similar immaterial needs toward a commoditised acceptance of 'civilization' (Ewen, 1969).

An adjunct effect of being constantly exposed to such images is that they are more and more taken for real, obliterating the difference between reality and the portrayed dream world

(Baudrillard, 1970/1988). In advertising spots as well as in films and television shows, there is little time to develop the characters at length through verbal forms of communication. Instead, objects and possessions are displayed to give the viewer an impression about the kind of personality presented. This constructs a reality that does not exist and produces a biased worldview. O'Guinn & Faber (1987) for example have shown that heavy television viewers are more likely to have incorrect beliefs about the real world. They overestimate the chance of being a victim of crime and the stability of the nuclear family; they have a greater faith in doctors, a more negative attitude towards elderly people, and are more likely to display a sexist attitude. Weiman (1984) reports a similar effect. He showed that Israeli viewers due to their exposure to television images overestimate the earnings of Americans and the percentage of households that have air-conditioning, dishwashers, multiple cars, electronic can openers and freezers. Hence, the outcome of this kind of media socialization is that viewers have an inflated opinion of the things other people possess and they adopt the belief that wealth is desirable and common. This produces unhappiness about our own situation because we believe everyone else is better off, and it works as an inhibitor against feeling guilty for wanting to have more things. A further aspect is that our self-perception is likely to be influenced by the mass mediated 'ideal' type, affecting the synthesis of who we (really) are or who we would like to be. This may lead to chronic unhappiness or malaise through comparing our real life with the false reality portrayed on television, which in turn creates an apparent necessity to acquire things and contributes to the belief that goods stand for happiness, success and life satisfaction (Brickman & Campbell, 1971). In other words, it results in a marked materialistic value orientation.

In summary, buying offers multifarious possibilities for compensation through the many symbolic meanings that are attached to it via personal experience and/or advertising, and thus has the potential to function as a universal drug promising to alleviate the discomforts of life. Occasionally, it is used by many as a way to brighten up a sad day, as a reward for an achievement, to enhance one's self-perception or to relax a negative mood state (e.g., Kacen, 1998, Kacen & Friese, 1999). If buying however is used excessively as a means of compensation, it can develop into an addictive behavior with serious consequences for the individual. Compensatory consumption becomes problematic if consumers constitute their entire lives around the meaning of goods, and if they limit themselves to the products provided by the market as a means to maintain and to enhance their self-concepts.

According to conservative estimates, about 20% of the population in Western consumer societies use buying regularly as a means of compensation, 5% rely heavily on it for compensatory purposes (Scherhorn, Reisch & Raab, 1990), and 1-2% of these are addicted to it (Faber & O'Guinn, 1992; Lejoyeux, Adès, Tassain & Solomon, 1996). Examining the Baby Bust generation in the US, born between 1965 and 1976, Roberts (1998) reported that 6% of this consumer group can be classified as compulsive buyers. Black (2001) estimated that compulsive buying affects from 2 to 8% of the general adult population in the US. This means that buying for quite a few million individuals has become the focal point of life around which everything else revolves, often to the detriment of relationships, healthy bank balances and last but not least authentic personal happiness. The milder form, compensatory buying is probably a behavior most consumers have engaged in, even if only occasionally. For example, after a bad day at work or in school, after a period of cold

and rainy weather, after having had an unpleasant conversation, after receiving some bad news, when a relationship finishes, etc. etc., we go out and buy ourselves something nice with the purpose of making us feel better. It could also be that we reward ourselves with the purchase of a consumer good, e.g. after having achieved a goal or after having accomplished something successfully. Thus, most consumers are familiar with the experience and the kind of feelings accompanying a compensatory purchase. However, we may not always choose shopping as a means of making us feel better or for rewarding ourselves. At other times, we may choose to talk to a friend, to go for a 10k run, to take a long hot bath, or to have a relaxing evening in front of the television. Going shopping presents only one possible means of compensation. If someone likes to go shopping and engages in compensatory buying more regularly, we often hear in a more joking fashion that this person is a 'shopaholic'. Here, however, we need to distinguish between persons who engage regularly in shopping as a means of compensation, but not exclusively, and those that rely on it as the only means of compensatory behavior. The latter group of consumers are no longer compensatory buyers, rather they are addicted to it (see Endnote for an explanation of terminology). In order to show how compulsive buying behavior is different from compensatory shopping, below excerpts from interviews with compulsive shoppers are provided that describe the experience from their point of view. However, before the research questions guiding the present examination and the methodology will be discussed.

RESEARCH QUESTIONS AND AIM OF THE PRESENT INVESTIGATION

Numerous studies have shown that compulsive buyers have a lower self-esteem than average and show a low self-acceptance (e.g., d'Astous, 1990; Elliot, 1994; Faber & O'Guinn, 1992; Lange, 1997; Scherhorn et al., 1990, 1992). Based on these findings, Dittmar, Beattie and Friese (1996) proposed that this might have an effect on the subjectively felt gap between their actual and ideal selves, thus, between who they perceive themselves to be now and who they would rather like to be. We were indeed able to show that. The results and further theoretical explanations are provided under the heading 'The role of self-discrepancy in compulsive buying'.

Having established that compulsive buyers display larger actual/ideal self-discrepancies, though, does not explain why they use buying as a means to reduce or to compensate for this gap. Therefore, in a next step we used the Richins and Dawson's (1992) materialism scale as a proxy to measure the extent to which compulsive buyers rely on material goods as their preferred means of compensation. Again, the findings were positive, confirming that compulsive buyers, indeed, seem to use material objects to compensate for perceived actual/ideal self-discrepancies. The analysis was extended here by also including the subscales of the materialism scale into the model, in order to examine which aspect of materialism has the greatest impact on compulsive buying.

These findings are interesting by themselves, however, they do not offer any insights regarding the kind of ideal images compulsive buyers strive for. The quantitative findings only provide a number that shows that the gap compulsive buyers perceive to exist between their actual and ideal self is on average by about 5.53 scale points larger than that of other consumers. But what does this mean? Is the aspiration level of compulsive buyers larger than that of non-compulsive shoppers? Do they strive for irrational dreams? Or is the larger self-discrepancy due to an actual

self-perception that is much below that of other consumers? Or can the answer be found somewhere in the middle, i.e. the discrepancy being a result of somewhat lower than average actual self-perceptions on the one hand and somewhat higher than average aspirations levels on the other?

In order to find an answer to these questions, in-depth interviews with three distinctive buyer groups were conducted. The three buyer groups were: the utilitarian shopper who does not enjoy shopping very much and who only buys items that are needed, the compensatory shopper, comprising probably the largest group among consumers in Western societies, and the compulsive buyer.

A further aim of this paper is to illustrate that the phenomenon of compulsive buying needs to be taken seriously and that the information collected by researchers in this area should be treated also by marketing practitioners with responsibility and care. Promotional marketing campaigns unfortunately illustrate that this is often not the case:

One of the most fashionable stores in New York City recently mailed postcards to its customers inviting them to a "psychotherapy sale," urging them to bring in their emotional baggage to fill with mood enhancing bargains ([http:// www. financialrecovery .com/ resources/ interviews/ benson2.html](http://www.financialrecovery.com/resources/interviews/benson2.html), last accessed 1. July 2001).

The findings presented below may not follow the classical way of reporting, which is usually preceded by a literature review. Here the literature review is integrated with the description of the results because of two reasons: a) it serves the aim of the paper better in terms of portraying the difference between 'normal' compensatory buying and compulsive buying; and b) the various findings from the literature and the present study build upon each other. Integrating the main results of both allows for the report and the story line to be build up gradually to form a coherent picture in the end.

METHODOLOGY

The Sample

The data employed in the present examination have been collected as part of a larger project conducted by Dittmar et al. (1995, 1996). The project was supported by the Economic and Social Research Council L122251012, as part of the Economic Beliefs and Behaviour Programme. As the aim of the Dittmar et al. study was to test a model on compulsive buying, the respondents were chosen purposefully rather than randomly and addicted buyers were oversampled. This was achieved by getting in touch with a London based self-help group, which had contacts to compulsive buyers throughout the UK. A second group of respondents was selected on the basis that they residentially matched (by town and street) the individuals from the self-help group. Further addresses were obtained through "snowballing".

All selected persons received a survey through the mail, which they were asked to fill out and to send back in a post free envelop. Two follow-ups were designed to increase the response rate. In the first follow-up the selected persons were kindly reminded to mail back the survey and in the

second follow-up, a few weeks later, a new questionnaire was mailed to them. The final sample size that served as the database for the present study was comprised of 271 respondents, 80 males and 191 females. The unequal gender distribution is an effect of having oversampled compulsive buyers, since they are more likely to be female. The overall response rate was 53 per cent, which is quite high compared to the standard rates of around 30 per cent.

The total sample was divided into three buyer groups based on the respondents' score on the addictive buyer measure. This resulted in the following group sizes: 100 utilitarian buyers, 106 compensatory buyers and 65 compulsive buyers. The demographic details that were assessed in the survey showed that the three buyer groups did not differ systematically concerning sociodemographic characteristics like income, occupation, education and number of children. The only difference that existed was with regard to age. The utilitarian shoppers were significantly older than the respondents of both the compensatory and compulsive buyer group. The means were 47, 36 and 37 respectively. As age, however, was not consistently linked to any of the dependent variables examined, this difference was not of any great concern.

The Survey

The compulsive buying scale (d'Astous, Maltais & Roberge, 1990) was used as a screener to divide the sample into utilitarian, compensatory and compulsive buyers. The respondents were asked to rate the eleven scale items on a six-point scale going from (1) not at all true for me to (6) very true for me.

The materialism scale (Richins & Dawson, 1992) was used as a proxy measure to assess whether buying is used as a compensation strategy. Richins and Dawson view materialism as a consumer value and not as a personality trait. They argue that a materialistic orientation, like a value, guides actions, attitudes, judgments and comparison across specific situations and beyond immediate goals. More specifically they regard materialism as a composite of three dimensions: acquisition centrality, acquisition as the pursuit of happiness and possession-defined success. Acquisition centrality is understood by Richins and Dawson as a life-style in which a high level of material consumption functions as goal and serves as a set of plans. It lends meaning to life and provides an aim for daily endeavours. The second dimension, acquisition as a means of achieving happiness is based on three beliefs. The first belief entails that material objects provide the greatest source of satisfaction and dissatisfaction. The second belief is rooted in the idea that money and social progress bring personal happiness. The third belief is related to the idea that acquisition rather than experience is the main source of happiness. Possession-defined success, the third dimension of materialism, is based on the notion that members of society evaluate others and themselves in terms of their consuming life-style. Accordingly, materialists should view themselves as successful to the extent that they possess products that project socially desired self-images. All items were rated on the same six-point scale as described above.

The extent of self-discrepancy was measured in a two-step process. In the first step, respondents were asked to fill in the following statement up to seven times:

I am _____, but I would like to be _____.

In the second step, they were asked to indicate for each statement on a 6-point scale how far they felt they were away from their ideal (size of the discrepancy) and how much they worry about it (importance of the discrepancy). The six scale points for assessing the size of the self-discrepancy were as follows: I would like to be a little bit different, somewhat different, fairly different, very different, exactly the opposite. The six scale points for assessing the importance of the self-discrepancy were: I never worry about it, I rarely worry about it, I worry about it sometimes, I worry about it often, I worry about it very often, I worry about it so much that it is ruining my life. Based on the obtained numbers, a self-discrepancy measure was constructed by summing the products of the size and importance ratings and dividing them by the number of statements entered. Possible scores ranged from 1 to 36.

The following demographic characteristics were assessed: sex, age, income, occupation, education and number of children.

Follow up In-depth Interviews

On the last page of the survey, the respondents were asked whether they would consent to take part in a follow-up in-depth interview. They were offered £ 20 for their participation. Fifty-five respondents volunteered to participate. In total, 18 utilitarian, 19 compensatory and 18 compulsive buyers were interviewed, 17 males and 38 females. The interviews lasted between half an hour and three hours depending on how much the respondents had to say about their shopping behavior. Due to budget constraints, eight of the fifty-five interviews had to be conducted over the phone. The interviews were semi-structured, meaning that an interview guideline existed but interviewees were given room to elaborate on topics they found to be of special interest to them. Digressions from the interview guideline occurred most often when talking to compulsive buyers. Responding, listening and asking further questions in such situations was not only a 'must' on the basis of ethical concerns, but also desired since the most substantial results are often acquired when listening to the emic perspective and not by imposing the researcher's perspective on the views and experiences of the subjects. The interview guideline included the following questions:

How would you define impulse buying? How does it differ from planned buying?

What drives you to buy something on impulse? What level of planning is involved? What do you get out of it?

What sort of things do you buy on impulse?

Can you describe a typical impulse buying episode? And a typical planned buying episode?

Do you often regret when you buy something on impulse, how often and why?

Do you sometimes regret planned purchases? Why?

Do you actually enjoy what you have bought on impulse and used it, for how long?

What is more important for you, the actual buying process or the item itself?

What does the buying give you? What is it about the item that (possibly) makes you feel better? Would it have to be difficult to wait for it? Why?

Additional themes that were covered during the interviews dealt with childhood and other life experiences of the respondents that were closely related to the onset and continuation of the addiction to buying and were often the source of the problem. All interviews were recorded and transcribed verbatim.

Data Analysis

The data were analyzed with the aid of the software ATLAS.ti. This program belongs to the genre of software that has been developed in recent years to analyze qualitative data. Actually, one needs to state that such programs, unlike statistical analysis packages, do not analyze the data. The software is neither more nor less than a tool that supports the process of qualitative data analysis. The use of software has the advantage that it frees the researcher from those tasks that a machine can do much more efficiently like searching for words or strings in a text or retrieving coded text passages. With the support of the computer, it becomes much easier to analyze qualitative data systematically, and even large volumes of data can be structured very quickly and clearly presented.

The basic steps of the analysis process when using such programs can be described as 'code-and-retrieve'. Text passages are marked and coded with one or more code words. These coded text passages can then be retrieved, reviewed, put together in different ways, re-coded if deemed necessary, etc. Coded segments can be retrieved by either using single code words in a search or by combining multiple code words using logical functions. The search process is the stage where questions are asked and results are obtained. This process, unfortunately, is not as straightforward as it may sound. There will be coding, retrieving, thinking about what one has retrieved, more coding, more retrieving, more thinking, some writing in between, etc. throughout the entire analysis process. Some additional elements of this process are the writing of memos and comments and the graphical representation of categories and theoretical concepts in the form of networks or hierarchies, which are all activities supported by the software. The theoretical underpinnings of the methodological approach employed in this study go back to hermeneutic philosophy as understood by Dilthey (see Schwandt, 1997, 62). The original meaning of the word hermeneutics is 'bringing to understanding'. It "seeks to know how we can take the utterances of others and give them meaning based on our own understanding of the world" (Ozanne, 1998, 280).

As is evident from the above quote, a hermeneutic approach presumes that the researcher brings a certain pre-understanding to the subject of study. This however does not hinder the interpretation process, as prejudice (or anticipated meanings) are thought to be prerequisites of conscious thinking that empower the researcher to make sense of the world. The aim of this process is understanding. In contrast to Verstehen, which is the ability to appropriate the life experience of the other, hermeneutical understanding does not assume that a single objective interpretation of the text exists. Understanding always is 'perspectival'. This means that multiple interpretations of the

same text may exist, whose quality, however, can be judged and evaluated based on their coherence (Arnold & Fischer, 1994; Ozanne, 1998).

A tool to achieve coherence is the hermeneutic circle. The hermeneutic circle refers to the process of constantly relating parts of the text to the whole text. In other words, the understanding of the text in its entirety is not possible without understanding its individual parts; but the interpretation of every text segment in turn also depends on the whole, since the parts by themselves are meaningless without taking the context into account. Therefore, understanding a text means to pass back and forth between the parts and the whole through the loops of the hermeneutic circle. Eventually "the circle spirals towards an increasingly consistent and inclusive account" of that which one seeks to understand (Ozanne, 1998, 282).

THE BUYING EXPERIENCE FROM THE COMPULSIVE BUYER'S POINT OF VIEW

In the literature it has been shown that most compulsive buyers rely on buying as an external source of mood modification and as a reaction to stress, unpleasant emotions or situations, which they seek to avoid (Dittmar et al., 1996; Elliott, 1994; Faber & Christenson, 1996; Faber, O'Guinn & Krych, 1987). Furthermore, shopping is used by compulsive buyers as a way to receive recognition and acceptance, as an occasion to fantasize and to escape into a dream world, or as a way to feel powerful and grandiose while spending money (Scherhorn et al., 1990). The statements below illustrate some of these aspects:

I'm aware I think I'm very aware I don't know how I compare with other people you talk to but but it's it's all about fulfilling me. [...] Cope with anything go shopping. [laughs] But I don't cope with me. It doesn't, it doesn't, I know it. You know, this is what I'm still saying that I'm just looking for that flaming answer to stop it, you know, just desperately needing because it's just not, it is not right.

I don't know that it's it's all for me erm and it's like er but I it I mean to me it's like trying to make myself feel better but I don't know why because I don't feel I don't believe on the outside I feel bad or. [...] It's me. It's mine. It's possible mm. Interviewer: Mm. Mm. So it's not an image you try to buy. No. No and it's it's only, I always, whenever I'm doing it, it's me I'm pleasing.

I think a lot of it was I felt quite down. Erm sort of just wanted, yeah, not really knowing what the problem was and sort of thinking: I've really, you know, these things'll make me feel better. They'll, probably thinking, they'll make a change. But they don't, they don't do that. You sort of realize afterwards they don't make you any happier. I think a lot of it was I felt as though like people let me down, so I went for the material and thought that that would make me er feel happy. But it didn't. [laughs]

For a lot of women going on a shopping spree signifies freedom; freedom from their assigned roles and the freedom to just be (by) themselves. For others, carrying bags full with purchased items provides them with the sensation of inner fullness. A yet different motive is to purchase goods in the hope of receiving compliments and desired recognition when using the items or when giving them away as presents. Thus, the driving force behind the addiction to buying is not the purchased objects per se, but the symbolic properties of either the good or the shopping experience.

I was feeling quite happy in the shops. I was [pause]. Sounds very stupid. One thing that used to go through my mind, I can remember, I remember thinking: Great, I'm buying this item. People think I've got money to buy clothes. I haven't really but people think I've got money to buy clothes. So I think, it was also a case of erm how I looked to society, [laughs] shall we say. You know and did I look like a weal+ not a wealthy person but somebody who could afford to buy clothes. Interviewer: Did it give you a feeling of power or was it? No, I think it was all me trying to say to people: I'm not only a housewife. I am somebody and I can go and buy myself these clothes and I can do this and I can just, I'm not only a housewife [laughs], you know. I think that's what it all came down to. Telling everybody that I'm not only, I am somebody.

The buying itself gives pleasurable feelings and is often compared to a 'high', a 'buzz' or a 'rush'.

But erm it used to give me a an incredible high at the time of buying it. It lasts while I am in the shop, it lasts until I get it home in the car. Then I think I better hide this so that my daughter doesn't see them. She starts making comments that I am spending too much on clothes. But, erm, yeah definitely sometimes a real high, a real buzz. And definitely sort of like a sort of racing feeling. Interviewer: ...your heart is going? Yeah. Yeah definitely.

I have a, erm, it's like a taste in my mouth, a dry mouth, erm, a ringing in my ears, believe it or not. Sometimes my vision will s+ well I'll be swaying a bit, I'll have to reach out something to steady myself. And I've often thought I'm having an attack, an anxiety attack or or whatever but it can't be because it seems to be every time I'm going in to spend money. Interviewer: When do you get that feeling? I get it before I spend the money.

Typical for all compulsive buyers is that after a buying episode feelings of guilt, anxiety and shame over the buying are experienced (e.g., Benson, 2000; Schlosser et al., 1994, Lejoyeux et al., 1996). Personal problems include severe depression, feelings of guilt, suicidal tendencies, anxiety, and break-up of relationships or marriages.

I had such bad trouble in the past like I lost my house and that. [...] I spent about twenty-five thousand and then there was about eight thousand that my dad left me. So I suppose in the end I spent about thirty-three thousand in about two years. [...] I kept drawing out insurance policies and paying them off. But then I run out. But when I run out of insurance policies then there wasn't anything to pay it off. So I had to remortgage the house then.

And the grief and the anxiety and the trouble I caused myself, was constantly spending money, getting into debt, then worrying about that and....

I just thought I can't go on with this any more; I can't possibly go to court. I can't face all that I'm not strong enough. You've handled MX's death, you can, and I thought: No, just say, well that was just it, that was, that destroyed me that was the final thing, I can't take any more. And I just thought how easy it would be, you know, just to end it all.

But sometimes I sit and work the interest I pay out on that, six or seven thousand. I mean imagine if husband's name found out that I owed, I couldn't risk it. [laughs]. [...] But you start and you just can't stop. I mean now it's too late. It is just too late. I mean I'd rather kill myself than tell him. At the moment I can't even think two years ahead. I've just got to get through each day. I just have to take each day as it comes. [...] Sometimes I'm so afraid of talking aloud in the night, having nightmares when I'm asleep. [laughs] I mean I can't help it, just frightened.

Latest at this point, it should also be clear to the uninitiated reader that compulsive buying is vastly different from normal compensatory buying, and that the good friend or neighbor that likes to go shopping, even if quite frequently, is most likely not a 'shopaholic.'

LIFE HISTORIES OF COMPULSIVE BUYERS

As already mentioned above, a number of studies have shown that compulsive buyers have lower levels of self-esteem and show lower self-acceptance than the average consumer. A possible reason for this is that compulsive buyers have often been raised in family circumstances that were less favorable for developing a healthy and stable sense of self. Later life situations and experience can, however, also contribute to these feelings. In a recent study, investigating a large sample of young people in one Eastern and one Western German city, Lange (1997) found that especially an overprotecting parenting style leads to weakened self-esteem and indirectly to the development of buying addiction. Other studies showed that first-degree relatives of compulsive buyers are more likely to suffer from depression, alcoholism, drug use disorders and to suffer more psychiatric disorders in general (Black et al. 1998). Compulsive buyers are also more likely to have experienced the divorce of their parents (d'Astous, et al., 1990; Friese & Koenig, 1993; Rindfleisch, Burroughs & Danton, 1997; Valence, d'Astous & Fortier, 1988). Below a number of situations that have been described by the respondents are portrayed that very likely have contributed to the onset of their later compulsive buying behavior.

Approval seeking and sibling rivalry: Because he's never been there for us. Me especially. Erm as soon as I started having male friends or boyfriends or whatever, he just changed seemingly overnight, just didn't want to know. I could never do anything right and I still can't. [...] I could never understand why I did it because I cut myself and it hurts so much to do it. I mean there's not much skin on your arms and to cut through with a knife or razor blade, the pain was terrible. And I used to think I'm punishing him by doing it and then I wouldn't show him, I'd hide it. And then it'd heal up and I'd do it again. I don't do it now. I stopped because, er, it wasn't having the desired effect. I think I somehow expected him to start caring about me again. He maintains that he does. You know, he says that he does. Sometimes he says he does but I find it so hard to believe. [...] What I did, I was always trying to win him over again, erm, I got all my O levels and A levels. I got all of them, everyone I went for, I passed them all. I didn't want them particularly. I did it to try and make my dad proud of me because my brother didn't get one. [...] He doesn't like books, he doesn't like to learn but he's very good with his hands. And my father was more proud of that than my achievements. He didn't care. And then I thought to myself afterwards: I should have failed more. I might have got erm a rise out of him then. But he wouldn't have helped me if I failed them all.

Approval seeking and inconsistent parental behavior: I was and er desperately I suppose trying to get some show of affection for myself as a person off my mum. My mum mainly. My dad idolized me, I idolized him, and my mum was always jealous of that. [...] The only emotions I can say I experienced from my mum was anger and being told this is all your fault. [...] My mum used to buy me things to keep my mouth shut and I sort of used to feel guilty because I had pleasure in the things she bought me, erm, but also guilt because I knew what they were for.

Very often she (mother) had very black moods and just took to her bedroom and then came out and suddenly said it was my fault. I didn't even know what we'd done you know. Erm and then to overcome that perhaps we'd go into town or if I said I wanted something, I'd get it, you know. [...] So it was kind of a funny relationship. I felt anxious but was admiring her at the same time.

Education into incompetence, overprotection and overcontrolling influences : And er I didn't know how to boil an egg or anything because she'd never let me do anything around the place. The only thing I was allowed to do was dust my desk. I wasn't allowed to do anything else. Nothing whatsoever. So I had to teach myself everything from books and erm so on and so forth. I was a very naive as, you know, when I see youngsters of today like my kids and like they're erm very much wiser than I was 'cos I wasn't allowed to go out into the world. It was just not having confidence in myself to sort of think I can do this. A lot of things, I have noticed, that a lot of the things that I don't like doing are things where I'm relying on myself.

Suppression of feelings : And well, I suppressed them all because you don't tell anybody that at sixteen, you know (i.e. sexual abuse). Well you don't. It's only recently that I've been able to talk about it. But er yes it must have had a marked effect on my life.

Which is probably because of the show I put on, you know. As I was saying to you before, the hard exterior and that is so much like my father, erm, he'd never told us he loved us. [...] I don't think he realizes he's hurting me. Because, as I say, I put on a front and I think he thinks I'm just as hard as him. I'm not. (He) worshipped, my fiancé, and the baby. Loved him. Erm and then when he when when my fiancé died, he was he was upset. But he he wouldn't show it. And I in turn thought, well, I can't show my grief and I kept mine hidden up, didn't let anyone see me cry.

From the quotes above, it can be seen that negative feelings often were suppressed in the families of compulsive buyers and that verbal approval also was less prevalent. Many compulsive buyers reported that they tried hard to please their parents but that they most often failed. Inconsistent parental behavior and overprotection were also commonly experienced by the respondents. Instead of love, time and attention, or as reparation for their inconsistent behavior, parents often gave money or presents. The genuine need for tenderness and bodily nearness remained unsatisfied. As a consequence of this prolonged denial of their own feelings and absence of necessary approval, these individuals developed feelings of inadequacy and started to despise an important part of their very own self.

THE ROLE OF SELF-DISCREPANCIES IN COMPULSIVE BUYING

Based on the findings that compulsive buyers have a low self-esteem, are less likely to be satisfied with themselves and often detest an important part of who they are, two colleagues and I investigated in an earlier paper whether compulsive buyers display larger actual/ideal self-discrepancies than non-compulsive shoppers (see Dittmar et al., 1996). Generally, the existence of a gap between one's actual and ideal self or between one's actual and ought self is not problematic. It is even desirable as such discrepancies serve as self-guides and have motivational consequences. If for example the ideal self entails a picture of oneself to be knowledgeable in conversational Spanish, then the actual self will feel motivated to undertake efforts toward achieving this aspired to self-definition. Such attempts can however only be successful if a person is committed to a particular self-definition. If this is the case, then self-definitional goals can take on the character of needs. Failure to satisfy this need will result in substitute action. This is likely to occur if attempts to achieve the self-definitional goal are disrupted (Wicklund & Gollwitzer, 1982). Another reason for failure might be that the self-definitional goal is too far away from a person's actual self-state. Based on these considerations, we hypothesized that excessive buying might be a

result of seeking self-completion via substitute actions, motivated by a large gap between the consumer's actual and ideal self-state. The results of our study supported this thesis. Respondents who displayed higher compulsive buying tendencies also showed larger actual/ideal self-discrepancies. The mean self-discrepancy scores for the compulsive and non-compulsive buyer group were 16 and 10.47 (possible scores ranged from 1 to 36). This difference was highly significant. In other words compulsive buyers were more likely to perceive that their actual self-state is far away from the kind of person they rather would like to be. This kind of self-discrepancy has been shown to negatively effect self-esteem and to result in dejection-related emotions like disappointment, dissatisfaction and sadness (Higgins et al., 1986; Higgins, 1987; Moretti & Higgins, 1990). Hence, the maladies experienced by compulsive buyers like low self-esteem and depression might be related to their high actual/ideal self-discrepancies.

Drawing on Campbell's theory of the modern hedonist and McCracken's theory of displaced meanings, the negative consequences that arise from trying to compensate for a large actual/ideal self-discrepancy via buying can be explained further. Campbell (1987, 1997) proposes that individuals, for the purpose of deriving pleasure, engage in fantasies whose building blocs commonly consist of consumer goods. As the greatest pleasure lies in letting the dream come true, this frequently results in actual purchases. The contents of the fantasies may evolve around aesthetic images, or they may include idealized images of the self. In the latter case, the pleasurable fantasies mainly consist of oneself embodying perfection. Such fantasies encourage the belief that in reality one actually possesses these kinds of qualities. In order to obtain the necessary proof that this is indeed the case, this requires action in the form of conduct in the 'real' world. As reality however never matches the perfected dream, the dreamer necessarily experiences failure; the failure to live up to his ideal self-image. The consequences are severe since the degraded reality in this case is the individual himself and not an object that ceaselessly can be substituted. As has been illustrated by the quotes above, this results in feelings of guilt, self-condemnation and a deepening sense of worthlessness, leading to an ever-widening gap between the ideal and the real self. In turn, this adds extra pressure to the individual to reassure his feelings of self-worth, eventually causing a spiral of events that becomes difficult to control. A similar effect has also been described by McCracken (1988). He proposes that people relocate their ideals to a distant, safe location in order to prevent these ideals from being devalued by the facts of reality. Consumer goods in this scenario serve as bridges to these distant locations in order to reassure oneself that one's ideal or parts of it are within one's reach and can potentially become reality. McCracken also stated that a problem is likely to arise if the displaced meanings evolve around idealized images of the self, because then the goods intended to serves as bridges are unlikely to deliver their promise. This promise is to give access to the displaced meanings. This will result in individuals engaging in desperate and repeated but unsuccessful attempts to lay claim to the displaced meanings. The conclusion that can be drawn from these theoretical perspectives is that dreams or fantasies involving idealized images of the self are highly problematic. Instead of serving as thriving motivational forces, they lead to feelings of self-condemnation and despair.

SELF-DISCREPANCY, MATERIALISM AND IDEAL IMAGES

Showing that a high actual/ideal self-discrepancy exists in addicted buyers, however, does not establish any causal link. Singer (1993, cited in Toates, 1996) for example has shown that high actual/ideal self-discrepancies are also present in cocaine addicts, who employ the drug as a form of self-medication against depressed moods. Cocaine addicts thus seem to have chosen a different compensation mechanism than addicted buyers for bridging the perceived gap between their actual and ideal self-state. A likely reason for this is that the two groups of addicts have been subjected to different kinds of key experiences. From addicted buyers we know that through childhood and other life experience they came to associate material goods with love, attention, happiness and/or independence, and therefore they may prefer buying over other means of compensation:

My mum used to buy me things to keep my mouth shut and I sort of used to feel guilty because I had pleasure in the things she bought me, erm, but also guilt because I knew what they were for. ... and then (she) come out and suddenly said it was my fault. I didn't even know what we'd done, you know. Erm and then to overcome that perhaps we'd go into town or if I said I wanted something, I'd get it, you know.

So we ended up with my mother and my dad, staying with them. And that sort of put pressure on. And I think it was my own way of getting heard, being independent by buying things. [...] I had a domineering mother. [...]. Everything was out of my hands. It was just bought and erm that was it. You had no say in the matter. Everything was bought through my mother. I lost confidence. [...] It was just that I wasn't good enough. I felt stupid and felt been made small....

Whether the assumption that the use of buying as a preferred compensation mechanism in conjunction with high actual/ideal self-discrepancies leads to an addiction to buying, can be tested by using a proxy measure that indicates that buying is indeed a person's preferred means of compensation (compare also Dittmar et al., 1996). Here the Richins and Dawson's materialism scale including its three sub-scales were used as a proxy measure. The first step of the analysis consisted of a main-effects-only model with self-discrepancy and materialism entered as the predictor variables. In the second step, the presence, strength and nature of the interaction between materialism, the three subscales and self-discrepancy were assessed. An additional variable that needed to be taken into account was gender. In a first trial run of the model, the only interaction term that was significant was the interaction term for the centrality subscale. This effect is likely due to sampling artifact. When gender is added into the model, this effect disappears and the only remaining interaction term is the one for the overall materialism score. In addition, self-discrepancy by itself and the happiness dimension showed an independent effect on compulsive buying. The final result of the regression analysis is presented in Table 1. A basic assumption of the regression model is that the explanatory variables are independently distributed. In other words, there should be no multi-collinearity among the explanatory variables. This assumption is violated in the above model, which however does not effect the validity of the reported results. If the explanatory variables are correlated, the variance of the estimates $SE(\beta)$ will increase. This means that the computed t-ration will fall because $t = \beta / SE(\beta)$, and one is more likely to accept the null-hypothesis (type-II error). Thus, the test is more conservative.

| Variable | β | SE (β) | stand. r | t-value | sig. t |
|----------------------------------|-----------------------|----------------|----------|---------|--------|
| Self-discrepancy | 0.574522 | 0.144659 | 0.25 | 3.972 | 0.0001 |
| Happiness (high/low) | 6.646301 | 1.710194 | 0.24 | 3.886 | 0.0001 |
| Gender | 4.88098 | 1.497305 | 0.16 | 3.260 | 0.0013 |
| Interaction term for Materialism | 0.352714 | 0.129366 | 0.21 | 2.726 | 0.0068 |
| (Constant) | 14.111605 | 2.892815 | | 4.878 | 0.0000 |
| Variables not in the equation: | Centrality (high/low) | | | 0.492 | 0.6234 |
| | Success (high/low) | | | 0.045 | 0.9642 |

As can be seen from Table 1, the full model explains 39% of the variance in individuals' compulsive buying scores. Compulsive buyers especially seem to use material goods to compensate for negative mood states and for unsatisfactory life circumstances (measured by the happiness dimension). Since the centrality and success dimensions had no independent effect on compulsive buying, it can be assumed that acquiring objects for the purpose of lending meaning to life (measured by the centrality dimension) or for projecting socially desired self-images as a sign of success and status (measured by the success dimension) appear to be of lesser importance to compulsive buyers. The finding that only the interaction term of the overall materialism score and not the interaction terms of the three subscales is significant supports the proposition that a generally high materialistic value orientation is an indicator for individuals using buying as a compensation mechanism for perceived actual-ideal self-discrepancies. In summary, it can be concluded that if both a high self-discrepancy and a materialistic value orientation are present, then there is a high risk for individuals to become addicted to buying.

Having established this, the next question to be answered is in what ways the actual/ideal self-discrepancies are manifested and whether the ideal images of addicted shoppers are different from those of non-addicted consumers. The cases described below highlight some of the possible ideal images that compulsive buyers may strive for.

Case 8: The greatest wish of this respondent is to be an actress. The closest she has come to this dream is that she has an office job at a film studio. She got the job after having applied for it three times. Sometimes she has a role as an extra in a film. The kinds of items this respondent buys are also a reflection of this dream: make-up, often glamorous clothes and jewelry. She likes to dress up every day and looks down on people who prefer to wear jeans.

Well, I shall always say I wish I'd been an actress but erm it's a bit late now. I think that's the only thing I really would have liked to have been is an actress. Or anything creative but mostly being an actress. But I like interior design or drawing or painting or anything like that. [...] Well, I think it was always that I wanted to be on the other side, you know.

When I was a teenager it was mostly make-up (what I bought) then. And in the end, I ruined my skin 'cos I was wearing too much make-up, you know. But erm [pause] most of it was to do with, I wanted to be an actress and the make-up was all to do with the stage.

I was sort of better dressed er you know dressing above my station you know. Always trying to look like the stars. But, I'm not a star, you know. But I've always liked jewellery and it does make you feel more confident. [...] 'Cos you never know who you're going to meet. You might all of a sudden turn a corner and walk into a star, but it's very rarely. But erm you might accidentally walk into one. Interviewer: So do you actually try to dress up because of that? Well, I always want to look as if I've got money, but I haven't got any money. [laughs]

Case 16: This respondent was brought up to believe that her destined role as a woman was to be a housewife and mother. She thought that this was what she wanted to do and she lived her life accordingly, not quite knowing why she did not feel happy. She was dusting, cleaning the house, preparing the meals, being there for her kids and not doing anything for herself. She never went out because for her it was not the proper thing to do. Instead, she took care of her friend's children when they went out.

I was thinking then that's the way you just plod on then. And all those years in my life I was ha+ not happy, but I was 'cos I had what I wanted. What I thought I wanted then.

She tried to make herself feel better by 'improving' her household environment:

Er, 'cos when we bought the house that we lived in, erm for over fifteen years we lived there, I altered it about four times the rooms and things, you know. We knocked a bedroom into the bathroom, then we put it back. That was all a waste of money. And you probably do things like that 'cos you're unhappy. I think, I did. [...] I wanted to move and we couldn't sell the house. I didn't really like it and I thought by buying the kitchen it would cheer me up and I'd like the house. And after doing all that then I was still low. I wanted to move. Which we did [laughs] and the kitchen went with it. Yeah. That is er what I used to be like. Interviewer: Mm. So why did you think the kitchen would help you or would help you to like the house? Erm [pause], I don't know. 'Cos it altered a part of the house probably. I hoped then probably that it would help me to stay there and to like it. But I would have had to have changed the whole house to do that. [laughs]

The last few sentences illustrate how difficult it often is for the respondents to find out why they engage in excessive or seemingly irrational buying. This particular respondent has overcome her addiction, but she would have never achieved this by changing the house. The reason why she now no longer feels the urge to change things around in her environment is related to the fact that she started to do things for herself again. Her life now does not only revolve around being a housewife. She took up a hobby and she started to work. Dusting and cleaning are no longer

priorities in her life. If she still were fixated on the belief that her role is to stay in the house, she very likely would also feel unhappy in the new house and would continue to buy excessively.

Case 27: This interviewee expressed that her life was not very organized when she grew up. After she finally ran away from home in her teenage years, the striving for order and beauty became a priority.

I think I've got this vision of an ideal life, you know. I've got this vision of an ideal life where everything is very clean and very orderly. [...] My idea of a horror story is to be not very strong or even helpless and see everything deteriorate, actually getting dirtier and dirtier and more and more disordered. You know, that the converse of my ideal life.

Another dream of hers is to be a good woman, which in her eyes is to be the perfect housewife and mother. The respondent grew up during a time when the image of the ideal family was a working father, the breadwinner, and a wife who took care of the house and the family. Her buying resonates this dream:

I like very good kitchen equipment. I think, I've got this dream of an ideal life in an ideal kitchen and cooking lovely meals and you know. At one time I had six vacuum cleaners. I used to collect vacuum cleaners. Interviewer: Why was that? I was looking for the perfect vacuum cleaner. [laughs] Interviewer: So do you have the perfect one now? I've got the two ultimates at the moment. I don't know how long it will last. I've got the erm what do they call it? Oh goodness me. Not Whirlpool. Something Cyclone. I've got an upright Cyclone. And er also because being like I am I've got to have the other one to do the carpets, do the walls and everything. [...] But at the same time I'm unwilling to part with the surplus one because there's nothing worse than a vacuum cleaner going wrong and it does happen. It gives me a feeling of security to feel that I have got this standby vacuum cleaner. [laughs]

In addition to household items, the excessive purchase of clothes is another manifestation of her striving for order and beauty:

You see, I've got this dream that I can get a wardrobe and I can get everything right and then I won't have to bother going out to buy clothes because they'll last. But this is a fantasy that I have, that I've tried to, erm you know, bring about several times. And I know it's a fantasy really you know. I have said over and over I don't need any clothes. I've got enough clothes now, you know.

Case 28: This case has some similarities with case 16, but in comparison this respondent did not idealize the housewife role. The outcome however was the same. Both respondents felt uncomfortable with themselves and thought that a change of environment would make all the difference:

It's like for other people clothes and stuff like that. But it wasn't, it was just like, don't know. It was a want. I needed to buy, you know, I'd see [coughs] a wallpaper shop, you know, a room in this paper. And all the fittings, the couch and the furniture. I visualize it then. Erm that is how I want my living room or bedroom. That's how I want it. And I felt comfortable in that environment when I was in that and I wanted to bring it home. So that's why I did it.

Interviewer: So did you actually feel comfortable then when you decorated it the same way as you have seen it? I was comfortable. I felt comfortable, but it didn't last, did it. So I felt as though I would be satisfied. But I wouldn't and that's what I'm like with the furniture and things. I have to change things all the time. 'Cos I thought, if I changed things in my environment, everything else would be okay. [...] And then I didn't feel comfortable, so we had to strip it then and pick something else. And I'd go round and spend most of my time buying new paper.

Other manifestations of her buying addictions were to buy things for her husband, her children and the household, and to give gifts to people in order to make them like her. A possible reason why she felt the need to constantly re-decorate the house could be the fact that she hardly ever had anything that belonged to her. Throughout her upbringing her mother dominated her life and even after she got married, circumstances were such that she and her husband had to move back with her parents for a number of years. Choosing the wallpaper and furniture might have been an expression of wanting to rule over at least one part of her life, namely the environment she was living in.

Case 41: The following is a very classic example, at least in terms of what journalists generally think compulsive buying is. The respondent described her ideal image as follows:

I think, it was a sort of smartly dressed young trendy woman that you see around the places, can afford to wear designer labels and show them off and have Chanel make-up and that kind of thing. The sort of image that they portray sort of in the adverts. It was mainly the make-up stores in the big department store. And the way the girls are always so nice to you and you sort of thought, you know, and all around there's the pictures and the images. And that's seeing those started me off. It was the make-up I started off in first and then went on to the clothes. And the clothes I chose were like the clothes that were in the make-up adverts, you know. So I think it started really from that kind of image, you know. The sort of [pause], erm you know, the rich smart look kind of thing.

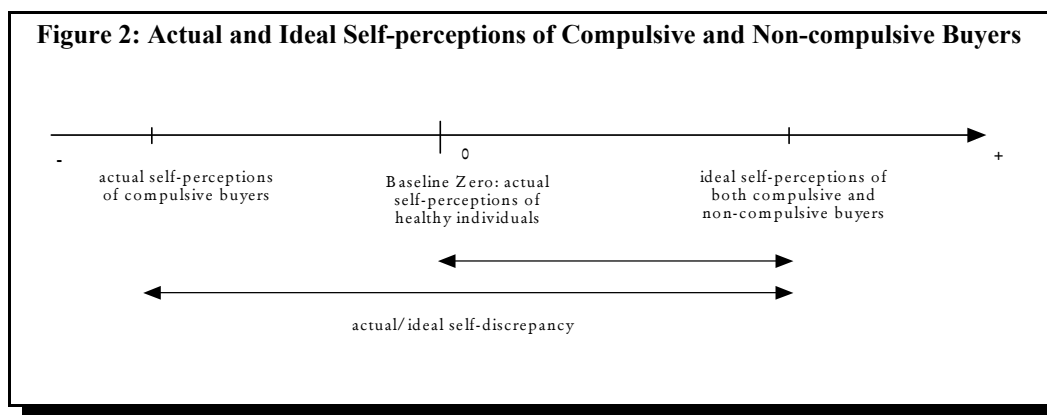
This interviewee was in her late teens when she tried to achieve this image via buying the appropriate accessories. She realized very soon that one cannot buy such an image and with the support of her parents she was able to sort out the financial mess she was caught up in. Her insecurities did not suddenly go away because of this but she discovered other ways of making herself feel better. Over time, these other activities are likely to give her the confidence and independence she desires. Her buying problem thus very likely was part of the process of finding an identity. The fantasies she was living out when shopping were similar to the kinds of daydreams she had played out together with her girl friend when they were younger. Her shopping excesses possibly were an attempt to turn these dreams into reality; or as expressed in the terminology of Erikson (1976), to draw together the threads of her childhood identifications in order to form an independent identity. The period of excessive buying in her case was very likely just part of the trial and error path of finding ways to cope with life, one's personality and the maturation process more generally.

The cases above illustrate concrete ideal images. However, not all compulsive buyers described such clear ideal images. For some respondents buying was the equivalent to a drug, or as one respondent expressed it: "It is like the insulin for a diabetic." They have become so dependent on it that they respond to every disturbance in their life with buying (or alternatively with binge

eating). They view it as the only way to relieve miserable feelings: "Sometimes, I don't know how to get through the day. I feel like getting into a car and driving it into a wall." Instead, they take their credit cards and go shopping. The longed for ideal self-states of these compulsive buyers also is to feel better about themselves, but in their cases the immediate demand of the moment takes precedence over more elaborate ideal images.

Whether the respondents could express their ideal self-states in form of concrete images or not, in all cases the aspired to ideal consisted exclusively of non-material desires like wanting to be more loved, more accepting of self, nice looking, smart, outgoing, more open to praise, more grounded, more assertive, more appreciated, less wanting to please other, more secure, more in control of life, wanting to find out who one is and wanting to feel complete. In comparison, none of the utilitarian buyers and only four of the compensatory buyers made a connection between concrete or less concrete ideal self-images and their shopping behaviour.

A vital conclusion that can be drawn from these findings is that the ideal images of compulsive buyers are not vastly different from what most human beings desire. The reason why they exhibit larger actual/ideal self-discrepancies is moreover related to where they position their actual selves. If one takes the actual self of a perfectly happy individual as the baseline and sets it to zero, then the actual self-perceptions of addicted buyers are below the zero line (see Figure 2). In other words, addicted buyers are not highly irrational dreamers who want to achieve ideal states that are far from what we all desire in order to feel happy and content with ourselves and our lives. Rather, they are profoundly unhappy individuals for whom buying serves emotional rather than utilitarian needs and who attempt through buying to restore their depleted sense of self.



In summary, when taking into account both concrete and less concrete ideal images, it can be stated that the interview data support the thesis that the addiction to buying is driven by the desire to achieve an ideal state. This ideal self-state however is often nothing more than just wanting to feel happy and to be content with oneself. Non-compulsive consumers sometimes also engage in buying for these reasons. However, they are in less of a need for self-affirming actions, and they employ a larger variety of compensation mechanisms as is obvious in the following statements:

And when I feel miserable I tend to want to just be on my own [laughs] and eat a lot. [laughs] But [pause] Or I just ring a friend.

...doing something just a bit different or a bit special that's interactive. I mean I love going to the movies. That's a er that's a brilliant way to relax as well but if you go out for a meal then it's interactive isn't it because you're sitting with the person and you're getting a chance to talk to them.

Erm [pause] go down the pub with my mates [laughs] that sort of thing. Or go and get a video. Sometimes go and get a video out. That's about it.

I would have a foam bath or I would go for a run or go to the cinema or erm rather than shopping. Occasionally shopping but no, it wouldn't be, it wouldn't be one of the first things that I'd do because I had a bad day.

In comparison, compulsive buyers cannot conceive of either an alternative activity that would give them the same pleasure as buying:

At the moment I can't really think what gives me the greater pleasure now. It's hard for me to think of something because everything seems very mundane. It seems to come to second place. I could do all those things but I'd still need to go shopping.

I find it still very difficult to do something else to, erm, to give me that sort of, you know, er peace of mind and feeling, you know, to have something to fill my day. Going to the park, looking at a tree or, you know, I still find it very difficult.

I don't know. I feel as though I can't go out now and really join a gym or something 'cos I'm guilty really. I mean I shouldn't be doing it because it would mean spending extra money, which we haven't got.

CONCLUSION

Based on the findings reported in the literature and the data presented here, it has been shown that buying and material objects potentially provide individuals with recognition and approval; that both offer an escape through fantasy, that they allow acting out anger and aggression, that they promise power and control, represent love, security, affection, independence and identity, that they potentially create mood change, relieve anxiety, lift depression, and elevate self-esteem. Therefore, it is not surprising that individuals in consumer societies have 'discovered' buying as a means of compensation. The reason why some people become addicted to it is related to certain predispositions, which may be inherited and/or are induced by certain life experiences, mostly during childhood. If such dispositions occur in combination with the experience that objects and acts of consumption can serve as an ersatz for a missing parent, for love, affection, recognition or attention, it can be presumed that the preferred substitution mechanism for a perceived lack will be material goods and the associated shopping activities.

The problematic aspect is that the add-on benefits of buying will never satisfy the real underlying need of the compulsive buyer. Firstly, material goods, although symbolically representing immaterial needs, can never be adequate substitutes for such needs. Secondly, as the

driving force that motivates the addiction is often not consciously known, it is highly unlikely that the real needs that long for fulfillment are satisfied by the addictive behavior. If a basic need however is not satisfied, it will become the predominant need driving people to engage in compensatory behaviors. This may either be achieved by re-directing the unsatisfied need to a top level need, or by regressing to the next lowest level. Metaphors like filling the empty self or buying comfort foods are an indication for a regression to the lowest level in the hierarchy of needs. Buying in those cases is used as an ersatz for higher order needs like security, affection and belonging. An example for re-directing an unsatisfied need to a higher order need was given in Case 27, where buying was used to achieve order and beauty to compensate for a lack of stability in life.

ENDNOTE

In the literature, addictive buying has often been described as compulsive buying. This however is not correct, as a compulsion is clearly different from an addiction on numerous accounts and the behavior described does not fit the characteristics of a typical compulsion. However, as the term 'compulsive buying' seems now to be established in the literature, it will also be used here.

A compulsion can be defined as a pressing feeling that urges one to engage in an activity against ones own will, driven by a force that cannot be controlled. Buying addicts often experience urges that they are unable to control, however not all the time. In a study by Scherhorn et al. (1990), only 64% of the respondents felt a loss of control, and 28% were even planning their buying sprees. Excessive buying therefore is different from abnormal behaviors like compulsive hand washing or compulsive hair pulling. It however shares a number of characteristics with obsessive-compulsive disorders (OCD). The buying impulse for instance resembles an obsession and the buying behavior a compulsion (McElroy et al., 1994). In addition, excessive buying also fulfills DSM-III-R criteria of an impulse-control disorder. In detail the criteria entail a failure to resist the impulse, a drive or temptation to perform some act that is harmful to the person or others, an increasing sense of tension/arousal before committing the act, and an experience of either pleasure, gratification or release at the time of committing the act. In a number of studies, excessive buyers have depicted their behavior as episodic, uncontrollable and causing significant distress (e.g., Faber et al., 1987, Faber & O'Guinn, 1988, Valence, d'Astous & Fortier, 1988). Most described irresistible urges, mounting tension or anxiety with the impulse. The impulse itself is experienced as senseless, intrusive, persistent, and overall as discomfort producing (e.g., McElroy et al., 1994). Most excessive buyers feel a relief of tension with the act of shopping or buying and experience pleasurable feelings, which they often compare to a high, a buzz or a rush (e.g. Elliott, 1994; Friese & Koenig, 1993; Krueger, 1988). Almost all run into significant problems due to their excessive buying behavior, either financial, personal or both. Thus, based on commonly accepted criteria, the observed phenomenon can also be described as a disorder of impulse control.

A similar view is put forward by Schlosser et al. (1994). They concluded that on the one hand addictive buying shares many superficial similarities with OCD such as repetitive and problematic spending, intrusive thoughts about spending and resistance to such thoughts and behavior. On the other hand, the behavior seems to have many characteristics in common with other

impulse control disorders like pathological gambling or binge eating. Unlike patients with OCD who view their obsessions and compulsions as unwanted, addicted buyers experience shopping as fun, exciting and desirable, at least initially. (Black, Monahan & Gabel, 1997; Christenson et al., 1994; Faber et al., 1995; McElroy et al., 1994). Statistical evidence has been provided by Natarajan and Goff (1991) that excessive buying is related to both a disorder of impulse control and to an obsessive-compulsive personality trait. Thus, calling the observed consumption phenomenon compulsive buying describes only one aspect of it. The term addiction in comparison includes both the obsessive-compulsive as well as the impulsive side of it (Shapiro, 1981). Therefore, referring to this form of excessive buying as addictive buying seems to be more appropriate (compare also Scherhorn, 1990).

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