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MARKETING SOCIAL NETWORKING IN THE *FORTUNE* 500

Carl J. Case, St. Bonaventure University
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ABSTRACT

As electronic social networking continues to evolve and mature, it is important to determine if marketing opportunities remain. This study, therefore, examined the state of social networking at the Fortune 500 organizations in order to better understand implementation and potential advantages. Results show that these firms rely primarily on five social networking technologies and that the corporate home page is the primary location for web promoting its use of social networking. Findings also suggest that industry sector and company size are factors with regard to social network promotion. Given these results, firms may be able to find gaps and seize promotion advantages relative to their industry competitors.

EXPLORING ANTECEDENTS AND CONSEQUENCES OF YOUNG CONSUMERS' PERCEIVED GLOBAL BRAND EQUITY

Phillip M. Frank, Catawba College

ABSTRACT

With the expansion of globalization, the increased competitive environment has led to the diffusion of brands across borders and cultures. Furthermore, young consumers represent an optimal segment for the proliferation of global consumer culture (GCC). The current study examines interrelationships among acculturation to global consumer culture (AGCC), perceived brand equity, attitudes toward the brand, and brand resonance in the global sportswear brands context among young consumers in the United States. Results showed that while cosmopolitan and self-identification with GCC dimensions of ACGG had a positive association with perceived brand equity, exposure to marketing activities of MNC's and global mass media exposure dimensions of AGCC had a negative association with perceived brand equity. Perceived brand equity also revealed a positive association with attitudes toward the brand, which in turn, affected brand resonance. Implications and future directions are also addressed.

Keywords: Global brands, young consumers, acculturation to global consumer culture, brand equity, brand resonance, attitudes toward the brand.

THE CONCEPT OF FLOW IN CONSUMER BEHAVIOR RELATED TO SOCIAL MEDIA: AN EMPIRICAL STUDY

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ABSTRACT

The following study discusses how flow from social media website usage affects consumer behavior, and how marketers can use this information to improve individual's experience on social media websites. Utilizing a modified version of the Hoffman and Novak's Conceptual Model, numerous antecedents of flow as well as multiple consequences of flow were analyzed from a social media website standpoint to determine whether they had a direct or indirect effect on flow, and if their effect was positive or negative. The sample for this study included members of the Generation Y age cohort from a large West-coast university. Regression analysis was used to determine that many constructs positively affect flow in relation to social media websites, and that flow experiences lead to more gratifying experiences overall. Marketers who use the recommendations from this study may find that social media website users will have more flow-like experiences, which will result in more enjoyable experiences overall, greater involvement on the social media websites, and ultimately increased revenue for the business.

THE MODERATING ROLES OF COMPANY STRUCTURE AND EXTERNAL ENVIRONMENT ON MARKET ORIENTATION AND BUSINESS STRATEGY TYPES

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ABSTRACT

Company performance is mainly determined by the strategy a company follows, and strategy is mainly determined by the market oriented culture and company structure. This link is affected by several factors. One of them is the external environment in which companies operate. Two types of external environment – market turbulence and competitive intensity- are investigated in this paper along with company structure. The purpose of this paper is twofold. First, the current research explores the moderating role of external environment and structure on the relationship between customer orientation and strategy types. Two major strategy types were used for this purpose, prospectors and defenders. In addition to customer orientation, another component of the market oriented culture; interfunctional coordination was investigated in the same manner. Second, the moderating role of external environment and company structure are examined on the relationship between companies' strategy level and their performance. The data is collected from selected service industries which have high level of customer interaction and high level of labor of intensity. Hierarchical multiple regression and multiple group analysis procedure are employed for the data analyses. The results are discussed at the end from both theoretical and practical perspectives.

CONCEPTUAL BACKGROUND

Over the years, marketing scholars have studied the theoretical foundations of market orientation. Although the conceptualization, the antecedents and the consequences of market orientation were the focal point of the market orientation studies (e.g., Narver and Slater 1990; Jaworski and Kohli 1993; Deshpande, Farley and Webster 1993; and Matsuno, Mentzer and Mentz 2000), the external environment has only attracted academic researchers by its moderating role of the market orientation – performance relationship (e.g., Grewal and Tansuhaj 2001; Han, Kim and Srivastava 1998; Noble, Sinha, and Kumar 2002; Slater and Narver 1995; and Im and Workman, 2004). And market turbulences and competitive intensity have been considered as external environments in such studies.

Unlike strong contextual support for moderator effect, Jaworski and Kohli (1993) find no evidence of environment affecting the strength of the relationship. Kirca, Jayachandran, and Bearden's (2005) meta-analysis study also did not support the moderating roles of environmental turbulence on the market orientation–performance relationship.

Instead of the moderating role of environment on the market orientation-performance relationship, current study investigates if the environmental factors and company structure moderate market orientation-strategy link. This study presumes that there is a relationship between market orientation and company strategy, because firm performance is mainly determined by implementation of a business strategy (Walker and Ruekert 1987). And implementing a firm strategy depends on how values and norms inside the organization (market oriented culture) are developed for the specified strategy (Slater and Olson 2001).

Hypotheses Development:

Environment as a moderator of the relationship between dimensions of market orientation and performance for each strategy types: the role of market turbulence;¹

The turbulences in the market typically are generated by heterogeneity in the composition of customers and their preferences. In highly turbulent markets, the effect of customer orientation on prospectors will be stronger. The reason is that market orientation with customer emphasis is about market intelligence, which entails generation and dissemination of and responsiveness to market information (Kohli and Jaworski 1990). Prospectors proactively seek and exploit new market opportunities and often experiment with responses to changing market trends (Miles and Snow 1978). And prospectors compete on new offerings and focus on value creating activities; programs emphasizing prospectors address the issues that have the greatest impact on overall customer satisfaction or matching their offerings with customers' needs (Matsuno and Mentzer 2000). Therefore, prospectors with superior market information or a highly market oriented culture will monitor customers' needs and preferences closely and less likely to make mistakes about their offerings. Accordingly, in order to successfully implement a prospector strategy, organizations will more likely to depend on a customer oriented culture in a highly turbulent market environment.

On the other hand, in stable markets, customers' preferences do not change very much and organizations' offerings are likely to require relatively little modification in those markets (Matsuno and Mentzer 2000). In such an environment, organizations will place a greater emphasis on developing low cost related activities as opposed to developing customer sensing activities such as marketing research and innovation (Dobni and Luffman 2000). Defenders emphasize such activities by employing standardized practices to routine actions and focused functional groups (Ruekert and Walker 1987). To be successful and operate efficiently in low turbulent markets, defenders should be highly interconnected to each other. Because defenders focus on maintaining a secure position in existing product-markets. They often compete through operations or quality-based investments that offer efficiency related advantages, rarely pioneering the development of new markets or products.

Interfunctional coordination, one of the components of market orientation, fosters greater communication, collaboration, and cohesiveness (Narver and Slater 1990; Noble, Sinha, and Kumar 2002) that are essential for implementing a defender strategy type (Narver and Slater 1990). More specifically, in order to successfully implement a

¹ These sets of hypotheses are summarized in figure 1.

defender strategy, organizations will more likely depend on interfunctional coordination in a low turbulent market environment.

H₁: The greater the extent of market turbulence, the greater the positive impact of the relationship between customer orientation and prospectors' performance.

H₂: The lesser the extent of market turbulence, the greater the positive impact of the relationship between interfunctional coordination and defenders' performance.

Environment as a moderator of the relationship between dimensions of market orientation and performance for each strategy types: the role of competitive intensity;²

In a less competitive environment, competitors do not have the capacity or resources to substantially alter the balance of power among the sellers. In such an environment, focusing on the customers' needs and wants and seeking superior customer value is most likely to lead to success (Slater and Narver 1995). Conversely, prospectors' success depends on the value creating and boundary spanning activities in this environment. Since only customer oriented values and norms provide prospectors to implement such activities, prospectors should highly emphasize customer orientation in less competitive environment. As a result, prospector strategy type and the level of customer orientation relationship will be stronger in less competitive environment compared to the high competitive environment.

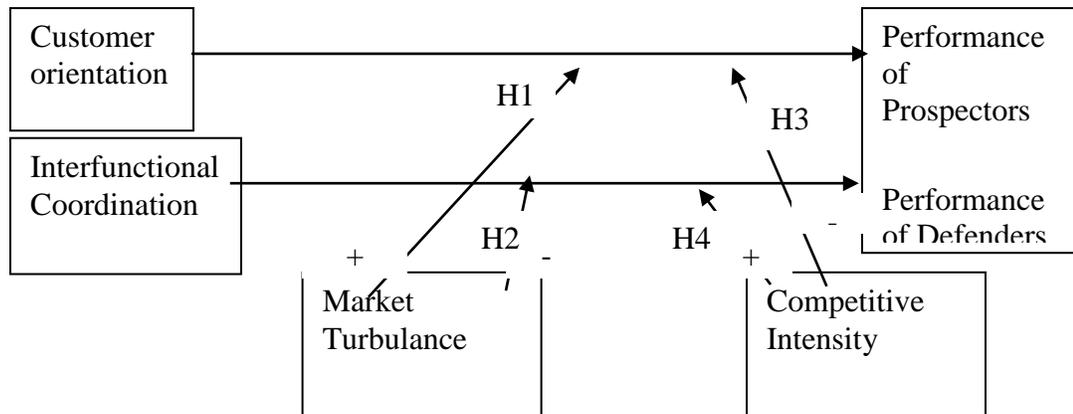
On the other hand, defenders' focus is internal and their goal is to reduce costs by focusing on the efficiency of the firm's processes (Rust, Moorman and Dickson, 2002). To do this, they depend on highly interconnected functional units. In an intensely competitive environment, a high level of interfunctional coordination is required for defenders to perform activities such as aggressive pricing or promotions. As a result, defender strategy type and the level of interfunctional coordination relationship will be stronger in highly competitive environment compared to the less competitive environment.

H₃: The lesser the extent of competitive intensity, the greater the positive impact of the relationship between customer orientation and prospectors' performance.

H₄: The greater the extent of competitive intensity, the greater the positive impact of the relationship between interfunctional coordination and defenders' performance.

² These sets of hypotheses are summarized in figure 1.

FIGURE 1
Moderator Effect of the relationship between dimensions of market orientation and performance for each strategy types:



Environment as a moderator of the relationship between strategy and performance: the role of market turbulence;³

The strategy literature generally posits that strategy selection is conditional on how closely an organization is aligned with its environment (Porter 1980). Since organizations may not be aligned their environment with the same level, same speed or same direction, there will be different types or different levels of strategy in the same environment. Furthermore the relationship between strategy and performance will be affected by the environment, the organization operates in.

In highly turbulent markets, composition of customers and their preferences change rapidly. If customer sets and/or their preferences in the market are unstable, there is a greater likelihood that the company’s offerings will become mismatched with customers’ needs over a period of time (Kohli and Jaworski 1990). In such environment organizations which develop capability to adapt rapid market conditions changes and capability to collect superior market information (McKee, Varadarajan and Pride (1989), will monitor customers’ needs and preferences closely and less likely to make mistakes about their offerings. Since only prospector strategy type carries such capabilities and characteristics such as competing on new offerings or focusing on value creating activities, highly prospector firms are likely to be more strongly related to performance in turbulent markets than in stable markets.

On the other hand, in stable markets, customers’ preferences do not change very much and organizations’ offerings are likely to require relatively little modification in those markets (Matsuno and Mentzer 2000). In such an environment, organizations will place a greater emphasis on developing low cost related activities for superior performance as opposed to developing customer sensing activities such as marketing research and innovation (Dobni and Luffman 2000). Since defenders emphasize efficiency through standardized practices to reach their goal of reducing costs of their offerings, firms using high degree of defender strategy are likely to be more strongly related to their performance in stable markets than in turbulent markets.

³ These sets of hypotheses are summarized in figure 2.

H₅: The greater the extent of market turbulence, the greater impact of the relationship between the degree of prospectors and their performance.

H₆: The lesser the extent of market turbulence, the greater impact of the relationship between the degree of defenders and their performance.

Environment as a moderator of the relationship between strategy and performance: the role of competitive intensity;⁴

As stated earlier, defenders' focus is internal and their goal is to reduce costs by focusing on the efficiency of the firm's processes (Rust, Moorman and Dickson, 2002). In an intensely competitive environment along with the lack of potential opportunities for further growth, organizations need to develop activities such as cost control, aggressive pricing or promotions. These activities can be gained successfully in defenders strategy type. As a result, level of defenders and their performance relationship will be stronger in highly competitive environment compared to the less competitive environment.

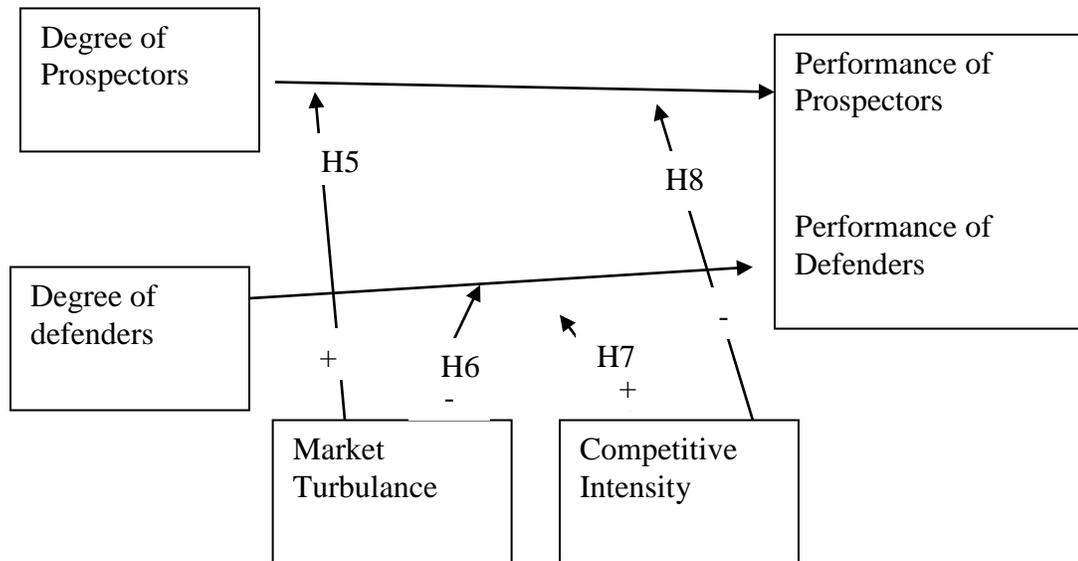
On the other hand, in a less competitive environment, competitors do not have the capacity or resources to substantially alter the balance of power among the sellers. In such an environment, focusing on the customers' needs and wants and seeking superior customer value is most likely to lead success (Slater and Narver 1995). As prospectors' success depends on the value creating and boundary spanning activities, implementing a prospector strategy is desirable in less competitive environment. As a result prospectors are likely to be more strongly related to performance in less competitive environment than in relatively more competitive environment.

H₇: The greater the extent of competitive intensity, the greater impact of the relationship between the degree of defenders and their performance.

H₈: The lesser the extent of competitive intensity, the greater impact of the relationship between the degree of prospectors and their performance.

⁴ These sets of hypotheses are summarized in figure 2.

FIGURE 2
Moderator Effect
Environment as a moderator of the relationship between strategy and performance



Company Structure as a moderator of the relationship between strategy and performance:

Organizational resources shape the characteristics of organizations because they are the many important structural and cultural characteristics that together constitute the way activities are organized within the business (Day 1997). Although the construct has been introduced to the literature by Pugh, Hickson, Hinnings, and Turner (1968) and Aiken and Hage (1968), it has been improved and applied to marketing concept by Ruekert, Walker, and Roering (1985). The structural characteristics of an organization pertain to how activities, routines and related decision-making authority are arranged (Pugh et al. 1968, and Aiken and Hage 1968; Ruekert, Walker, and Roering 1985).

Although the literature identifies several different structural characteristics of organization, three have been viewed as particularly important in this study: **centralization** regarding the concentration of decision-making authority at higher levels of the business's hierarchy; **formalization**, which is the degree to which standardized rules and procedures proscribe how activities are performed; and **specialization**, which is the extent to which activities are narrowly divided into unique elements that are performed by those with specialized knowledge. Together, these structural characteristics indicate whether activities are arranged in a bureaucratic or an organic manner (Moorman and Miner 1997; Jaworski and Kohli 1993; Ruekert, Walker, and Roering 1985; Pugh et al. 1968; and Aiken and Hage 1968).

For Defenders;

A company following a defenders strategy type is to provide quality products or services at the lowest overall cost for superior performance. The emphasis for defenders

is on efficiency through standardized practices, rather than on effectiveness that stems from flexibility. (Ruekert, Walker and Roering 1985). Therefore, implementing this strategy requires an organization to configure its activities in a routine way and with a narrow, less technically sophisticated production process (Ruekert and Walker 1987). In performing such routine activities, defenders should use highly centralized, formalized and unspecialized structures. Centralized authority structures provide control over the deployment of available resources and formalized work routines minimize errors in executing required activities (Ruekert and Walker 1987). Creating specialized structures with team workflows and developing a wide range of different activities are not likely to be efficient ways to implement this strategy (Vorhies and Morgan 2003; Olson, Slater and Hult 2005; and Conant, Mokva, and Varadarajan 1990).

H₉: The greater the extent of centralization, the greater impact of the relationship between the degree of defenders and their performance.

H₁₀: The greater the extent of formalization, the greater impact of the relationship between the degree of defenders and their performance.

H₁₁: The lesser the extent of specialization, the greater impact of the relationship between the degree of defenders and their performance.

For Prospectors;

Prospector strategic types focus on entering unfamiliar new markets and attaining differentiation-based advantages (Miles and Snow 1978). Therefore, achieving required goals in implementing a prospector strategy involves performing many complex activities. Accomplishing these activities ideally requires specialized, decentralized, and informal marketing structures (Ruekert, Walker, and Roering 1985)⁵. In implementing prospector strategies, such organizational characteristics should be emphasized because they empower specialists to access to wide-ranging capabilities and provide them with decision-making freedom and work routine flexibility to use these capabilities to produce timely and innovative responses in their competitive industry (Vorhies and Morgan 2003).

H₁₂: The lesser the extent of centralization, the greater impact of the relationship between the degree of prospectors and their performance.

H₁₃: The lesser the extent of formalization, the greater impact of the relationship between the degree of prospectors and their performance.

H₁₄: The greater the extent of specialization, the greater impact of the relationship between the degree of prospectors and their performance.

Sample Selection And Data Collection

For the purposes of the study, the sample was drawn from the service industries. Service industries generate over two-thirds of GNP and employment in developed countries and their importance is growing in developing countries (Asia Pacific Business Review, 2002). The importance of service industries is undeniable in the USA, since they

⁵ While Ruekert, Walker, and Roering (1985) initiated specialization by adaptiveness by saying that "...greater specialization leads to greater adaptiveness, in that specialists understand problems more clearly, adapt more readily to changing conditions, and discover new ways of doing things (p.15), as explained before adaptiveness and prospectors represent the organizational learning process and conceptually similar.

account for 72 percent of GNP and 76 percent of employment (Van Egeren, O'Connor 1998). Characteristics of the service industry make the market orientation an essential construct for most service organizations. The service industry has three distinct characteristics from goods industry- intangibility, heterogeneity, and inseparability. First, most services are intangible. Because they are performance rather than objects, precise manufacturing specifications can rarely be set. Most services cannot be counted, measured, inventoried and tested. Second, services are heterogeneous. It means their performance often varies from producer to producer, from customer to customer, and from day to day. Third, production and consumption of many services are inseparable. Satisfaction occurs during the service delivery, usually in an interaction between the customer and employees (Parasuraman, Zeithaml, and Berry 1985).

For the purpose of this study, only a carefully selected set of service businesses were represented in the sampling frame. For this selection, three major criteria were used: (1) businesses should require high level of customer interaction, (2) labor of intensity should be high in the business and, (3) businesses should not be prone to any monopoly power.

Depending on those criteria, the sample covers four sets of service industries in the service sector: finance and insurance (NAICS 52), accommodation and food services (NAICS 72), transportation (NAICS 48), real estate and rental and leasing (NAICS 53). As discussed above, these business lines are characteristically similar to each other in terms of high level of customer interaction and high level of labor of intensity (Tinnila and Vepsalainen 1995; Schmenner 1993). Characteristically similar industries do not increase industry effects while they enhance the generalization of our findings. The North American Industry Classification System (NAICS) were used in the selection of those qualifying service businesses that are represented in the final sample. The companies in the sample frame were selected by using Corporate Affiliations database. 1980 companies were selected using above criteria.

To increase response rate a variety of methods were used in combination. These methods are as follows: (1) Emails with a personal salutation (e.g., emails starting with "Dear Mr. Wright" rather than "Dear Manager." If no response received, a direct telephone call to the manager(2) indicating Old Dominion University's association with the research study, (3) offering a monetary incentive (i.e., lottery), (4) offering a brief summary of research findings for each complete and usable questionnaire, and (5) providing detailed contact information to respondents. 217 managers agreed to participate or examine the survey package. Only 135 of these questionnaires were usable for this specific study. Of those businesses, 71 were pursuing a defender strategy, 64 were pursuing a prospector strategy.

For the strategy type scale, Conant, Mokwa, and Varadarajan's (1990) 11-item scale to classify firms into strategic types has originally been created for service industries. This scale has been successfully applied elsewhere (e.g., Dyer and Song 1997, Lucas 1999, DeSarbo et al. 2004). Only prospectors and defenders strategy types were extracted from the sample since they are generically different types and represents two end of the continuum. For the market orientation, Narver and Slater's (1990) market orientation 15 item scale adapted and it is modified to reflect the study's focus on the service industries. Surveys were added to the appendices.

Results for Environmental Moderators:

There are two types of analysis in literature to identify the presence of moderators between the predictor and criterion variables. The first one is multiplicative interaction term which is used in hierarchical multiple regression procedure, specifies the form of the relationship between the predictor and criterion variables. The second one is multiple group analysis and modifies the strength of the relationship between the predictor and criterion variables. Following Sharma, Durand and Gur-Arie (1981) suggestion, the both types of analysis have been used identifying the presence and type of moderator variables in this study.

In first method, moderator effects can be detected by using moderated regression analysis (Sharma, Durand and Gur-Arie 1981). The procedure requires the introduction of a multiplicative interaction term into the regression equation:

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3 X_1X_2 + \dots + b_nX_n + e$$

where X_1X_2 is the multiplicative interaction term; where X_1 is predictor variable and where X_2 is a moderator variable. A moderator effect is indicated where the regression coefficient of the interaction term (b_3) is statistically significant.

A specific type of regression analysis, hierarchical multiple regression, is employed to test the interaction term. There are two reasons for this action. First, hierarchical multiple regression produces fewer Type I and Type II errors for detecting moderator effects relative to procedures that involve the use of cut points (Frazier, Tix and Barron 2004) and second, it provides the partial F associated with the resulting change in R^2 for each step to test whether or not a moderating effect exists.

Table 1
Hierarchical Regression Results of Resressing Performance on Customer Orientation, Interfunctional Coordination, Environmental Variables and the Interaction Terms for Prospectors and Defenders

Independent Variables	Dependent Variable		VIF Pros	VIF Def
	Pros. Perform.	Defend. Perform.		
Step 1				
Customer Orientation	.471***	-.046	1.526	1.389
Interfunctional Coord.	-.226	.446**	1.526	1.389
R Square	.148	.180		
R Square Change	.148	.180		
F Value	4.95*	4.49*		
Step 2				
Customer Orientation	.409**	-.050	1.774	1.908
Interfunctional Coord.	-.257	.382**	1.591	1.736
Market Turb.	.122	.055	1.608	1.506
Competitive Ints.	.047	.251	1.571	1.284
R Square	.165	.249		
R Square Change	.016	.070		
F Value	.540	1.81		
Step 3				
Customer Orientation	.640*	-.058	7.565	1.917
Interfunctional Coord.	-.279*	-.814	1.647	62.416
Market Turb.	.850	.396	50.996	22.583
Competitive Ints.	-.417	-1.091	59.438	47.343
Customer Orientation * Market Turbulence Int. (H ₁)	-1.033		94.914	
Customer Orientation * Competitive Intensity Int. (H ₃)	.599		104.966	
Interfunctional Coordination * Market Turbulence Int. (H ₂)		-.532		140.248
Interfunctional Coordination * Competitive Intensity Int. (H ₄)		2.346		47.793
R Square	.181	.289		
R Square Change	.017	.039		
F Value	.546	1.02		

In the moderated hierarchical regression analysis (Table 1) the predictor variables (customer orientation and interfunctional coordination) were entered in the first step, environmental variables (market turbulence and competitive intensity) were entered in the second step. In the last step, the interaction variables were entered. As seen in step 3, the inclusion of interaction terms to the model explains the limited amount of variance (R square change .017 for prospectors and .039 for defenders) and as non significant F value (.546 for prospectors and .1.02 for defenders) indicates that the contribution of interaction terms to the model does not make significant change. As a result, the moderation effect of environmental uncertainties on the relationship between dimensions of market orientation (customer orientation and interfunctional coordination) and business performance does not support the hypothesized moderating effects for both strategy types.

About the second type of moderation effect, the moderation effect of environmental uncertainties and company structure on the relationship between the level of strategy types and their performance has been assessed by using both moderated hierarchical regression analysis and subgroup analysis. Structural variables have entered to the model at the 3. Step (Table 2).

As seen in step 3, the inclusion of interaction terms to the model explains the significant amount of variance (R square change .106 for prospectors and .114 for defenders) and as significant F value (3.65 for prospectors and .3.57 for defenders) indicates that the contribution of interaction terms to the model makes significant change. The significant results may not be comprehended that hypothesized moderating effects are supported. The following two reasons explain this assertion in detail.

The first reason is that variance inflation factor (VIF) which is calculated for each of the regression coefficients. The VIF provides information on the extent to which nonorthogonality among independent variables inflates standard errors. The VIF ranges from 34.31 to 54.22, well above the cutoff of 10 recommended by Neter, Warresaman and Kutner (1985, p.32). This finding suggests that multicollinearity is a threat to the substantive conclusions drawn from the parameter estimates.

The second reason is about the meaning of the moderators drawn from moderated regression analysis. According to Sharma, Durand and Gur-Arie (1981) multiplicative interaction terms shown in step 3 in Table 2 may not be considered as a pure moderator, because both moderator variables and predictor variable are significantly correlated to performance.

Table 2
Hierarchical Regression Results of Regressing Performance on Strategy Level, Environmental Variables and the Interaction Terms for Prospectors and Defenders

Independent Variables	Dependent Variables			
	Prosp. Perform.	Defend. Perform.	VIF Pros	VIF Def
Step 1				
Strategy Level	-.421***	-.338**	1.000	1.0
R Square	.177	.114		
R Square Change	.177	.114		
F Value	12.5***	5.42**		
Step 2				
Strategy Level	-.429***	-.397***	1.001	1.051
Market Turb.	.195	-.076	1.441	1.140
Competitive Ints.	.106	.430***	1.442	1.128
R Square	.249	.283		
R Square Change	.072	.168		
F Value	2.68*	4.68**		
Step 3				
Strategy Level	-.487	1.19	18.432	36.546
Market Turb.	1.875***	-.032	35.699	34.402
Competitive Ints.	-1.520**	1.983***	35.765	29.610
St. level and Mark Turb Int	-2.877**	-.176	71.802	47.048
St. Level and Competitive Ints Int	2.520**	-2.292**	76.809	55.086
St. level and Form Int	-.108	.095	78.656	64.078
St. level and Cent Int	-.096	.221	79.776	70.654
St. level and Speci Int	.132	.303	79.102	71.861
R Square	.355	.397		
R Square Change	.106	.114		
F Value	3.65**	3.57**		

The subgroup analysis is employed to overcome those difficulties discussed above. Although subgroup analysis cannot avoid the loss of information resulting from the artificial transformation of a continuous variable into a categorical one, partitioning the total sample into homogeneous subgroups with respect to the error variance can increase the predictive efficacy for each subgroup (Zedeck 1971). The partial correlation

coefficient for market orientation and performance in each subgroup are reported in Table 3.

Table 3
Subgroup Analysis of Moderator Effects for Turbulent Environment

Part A Independent Variable	Partial Correlation Coefficients for Subgroups Dependent Variable - Performance			
	Market Turbulence (H5, H6)		Competitive Intensity (H7, H8)	
	LO	HI	LO	HI
prospectors	-.293	-.557***	-.565***	-.387**
Chow test F value	2.10ns		5.73**	
Defenders	-.378*	-.261	-.319	-.533**
Chow test F value	.281ns		4.72**	

Table 3 correlates strategy level and performance for each subgroups of environmental uncertainty and reports the correlation coefficients for prospectors and defenders. The mainly significant results of correlation coefficient for subgroups are not enough for the presence of moderating effect. It also needs to be tested that whether those high and low group regression coefficients are significantly different. The Chow test provides whether the full set of regression parameters differ among groups. Table 3- shows that there is no differences between high and low market turbulence for both strategy types. Both F values are not significant (2.10 for prospectors, .281 for defenders).

H₈ (F value = 5.73 p < .05) is supported indicating that the changes in competitive intensity affect the relationship between prospectors’ strategy level and prospectors’ performance. And H₇ is significant (F value = 4.72 p < .05) indicating that the changes in competitive intensity affect the relationship between defenders’ strategy level and defenders’ performance.

As seen, structural variables interaction are not significant for both strategy types in Table 2. Interaction of structural variables, centralization and formalization are negative; specialization is positive for prospectors. Those are predicted but none of them are significant. Interaction of structural variables, centralization and formalization and specialization are positive for defenders. The sign of formalization and centralization are as predicted but specialization is not in parallel with this study’s prediction. Again none of them are significant. These findings suggest that there is no support that structural variables moderate the strategy performance relationship for both strategy types.

CONCLUSION

The first set of hypotheses contains the results of the influence of environmental turbulence on the relationship between dimensions of market orientation and performance. The findings suggest that there is no support for the proposition that

environmental turbulence has a moderating effect on the strength of the dimensions of market orientation and performance (for both prospectors and defenders) relationship.

The results, consistent with the Kohli and Jaworski (1993) and Slater and Narver (1994), suggest that the linkage between market orientation components and performance appears to be robust across contexts characterized by market turbulence and competitive intensity. Implications of these findings to managers is rooted under the cultural concept. Establishing an organizational culture, market oriented culture in specific, requires long term dedication and expense. Adjusting market orientation to the today's fast changing environment might not be easy and cost effective. It might be also possible that the hypothesized moderating effects exist but were not detected because of the relatively small sample size.

The second set of interaction effect is the influence of environmental turbulence on the relationship between the level of strategy types and their performance. The results reveal that the relationship between strategy level and performance does not moderated by market turbulence for defenders and prospectors.

Although market turbulence determines the prospectors' performance, companies do not respond differently to the changes in turbulent markets (composition of customers and their preferences) on the relationship between strategy level and performance. On the other hand, relationship between prospectors' strategy type and prospectors' performance is moderated by competitive intense environment. In parallel with the related theory, relationship between prospectors' strategy level and prospectors' performance gets stronger in low intense competitive environment for prospectors. Since, in a less competitive environment, competitors do not have the capacity or resources to substantially alter the balance of power among the sellers; focusing on the customers' needs and wants and seeking superior customer value (like prospectors do) is most likely to lead success (Slater and Narver 1994). It is implied to managers that relatively less competitive intense environment are the appropriate environment to implement prospector strategy for superior performance.

In addition, the research results show that the coefficients values measuring the relationship between the level of prospectors and their performance are negative. If managers increase the level of prospectors' strategy, their performance decreases. It indicates that prospectors should not take their characteristic activities, such as market sensing, customer preference and new opportunities, to the extreme levels. This finding suggests to managers that they should not use all their resources for the activities like market sensing, customer preference and new opportunities, because they will not have enough resources to be used internal process or efficiency related activities.

For defenders, relationship between defenders' strategy level and defenders' performance is not affected by the changes in turbulent market environment. This can be explained as, defenders focus on efficiency related activities and internal processes rather than changes in customer conditions or market turbulence for superior performance. On the other hand, competitive environment moderates the relationship between defenders' strategy level and defenders' performance. In parallel with the related theory, defenders' center of attention is internal and their goal is to reduce costs by focusing on the efficiency of the firm's processes (Rust, Moorman and Dickson, 2002). In an extremely competitive environment along with the lack of possible opportunities for further growth, organizations need to develop activities such as cost control, aggressive pricing or

promotions. As a result, study findings advise to managers that the level of defenders and their performance relationship will be stronger in highly competitive environment compared to the less competitive environment.

The regression results reveal that there is a negative significant relationship between defenders' strategy level and defenders' performance. As discussed before, defenders depend on internal process and efficiency related activities. Certain defenders may use all their limited resources on efficiency related activities and they may find themselves using an excessive level of cost related activities. Even though those activities increase the defenders related competence, they drive out customer sensing and innovative capabilities of the organizations. As a result, defenders perform poorly since they lack of ability to execute necessary activities for customer sensing and innovation. Managers of defenders should not use all their resources for the efficiency related activities, because they will not have enough resources to be used for the activities related to customer preference and new opportunities.

Results indicate that the level of strategy and company performance relationship is not affected by organizational structure. Level of defenders and level of prospectors are strongly related to the company performance for both strategy types. It appears that the linkage between these two sets of variables is robust across organizational structural characteristics. Although the signs are in hypothesized direction, centralization, formalization and specialization are not moderating strategy level and performance relationship. The lack of moderating effect might be explained by the characteristics of sample. Data is collected from both large and small companies. Although it provides an ability to generalize the results to entire service companies, small companies' organizational structure might have different characteristics from large companies. Developing a market-oriented culture and engaging in market oriented behaviors is a requirement for both large and small companies and it is not an activity only for large and rich companies (Pelham and Wilson 1996, and Slater and Narver 1996). But the same approach might not be applicable to organizational structure characteristics.

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APPENDICES

Appendix 1: Survey Questionnaire for Market Orientation.

Dear Respondent:

Please read each question carefully and answer it completely. There is no right or wrong answers to these questions (seven-point scale with 1 indicating "strongly disagree" and 7 indicating "strongly agree" as anchors).

Section A:

1. To what extent does each statement listed below accurately describe your division or business unit's organizational culture? Please indicate your level of agreement or disagreement with each of the following statements.

<i>Strongly Disagree</i>		<i>Strongly Agree</i>	1. Our business objectives are driven primarily by customer satisfaction.
1	2 3 4 5 6 7	7	
<i>Strongly Disagree</i>		<i>Strongly Agree</i>	2. We constantly monitor our level of commitment and orientation to serving customers' needs.
1	2 3 4 5 6 7	7	
<i>Strongly Disagree</i>		<i>Strongly Agree</i>	3. Our business strategies are driven by our belief about how we can create greater value for customers.
1	2 3 4 5 6 7	7	
<i>Strongly Disagree</i>		<i>Strongly Agree</i>	4. We measure customer satisfaction systematically and frequently.
1	2 3 4 5 6 7	7	
<i>Strongly Disagree</i>		<i>Strongly Agree</i>	5. We give close attention to after-sales service.
1	2 3 4 5 6 7	7	
<i>Strongly Disagree</i>		<i>Strongly Agree</i>	6. Our strategy for competitive advantage is based on our understanding of customers' needs.
1	2 3 4 5 6 7	7	
<i>Strongly Disagree</i>		<i>Strongly Agree</i>	7. We target customers where we have an opportunity for competitive advantage.
1	2 3 4 5 6 7	7	
<i>Strongly Disagree</i>		<i>Strongly Agree</i>	8. Our salespeople regularly share information within our business concerning competitors' strategies.
1	2 3 4 5 6 7	7	
<i>Strongly Disagree</i>		<i>Strongly Agree</i>	9. We rapidly respond to competitive actions that threaten us.
1	2 3 4 5 6 7	7	
<i>Strongly Disagree</i>		<i>Strongly Agree</i>	10. Top management regularly discusses competitors' strengths and strategies.
1	2 3 4 5 6 7	7	
<i>Strongly Disagree</i>		<i>Strongly Agree</i>	11. Our top managers from every function visit our current and prospective customers.
1	2 3 4 5 6 7	7	
<i>Strongly Disagree</i>		<i>Strongly Agree</i>	12. We freely communicate information about our successful and unsuccessful customer experiences across all business functions.
1	2 3 4 5 6 7	7	

- | | | |
|---|--|---|
| <p><i>Strongly Disagree</i>
1</p> <p>2 3 4 5 6 7</p> <p><i>Strongly Disagree</i>
1</p> <p>2 3 4 5 6 7</p> | <p><i>Strongly Agree</i>
7</p> <p><i>Strongly Agree</i>
7</p> <p><i>Strongly Agree</i>
7</p> | <p>13. All of our business functions (marketing/sales, manufacturing, R&D, finance/accounting, etc.) are integrated in serving the needs of our target markets.</p> <p>14. All of our managers understand how everyone in our business can contribute to creating customer value.</p> <p>15. We share resources with other business units.</p> |
|---|--|---|

Appendix 2: Survey Questions for Strategy Types.

For the following 11 questions, please choose one of the three response options listed for each question that define your division or business unit best.

In comparison to other organizations, the services which we provide to our customers are best characterized as:

{Choose one}

- Services which are more innovative, continually changing and broader in nature throughout the organization and marketplace.
- Services which are well focused, relatively stable and consistently defined throughout the organization and marketplace.
- Services which are fairly stable in certain units/departments and markets while innovative in other units/departments and markets.

In contrast to other organizations, my business unit has an image in the marketplace as which:

{Choose one}

- Has a reputation for being innovative and creative.
- Offers fewer, selective services which are high in quality.
- Adopts new ideas and innovations, but only after careful analysis.

The amount of time my organization spends on monitoring changes and trends in the marketplace can best be described as:

- Lengthy: We are continuously monitoring the marketplace.
- Minimal: We really don't spend much time monitoring the marketplace.
- Average: We spend a reasonable amount of time monitoring the market-place.

In comparison to other organizations, the increase or losses in demand which we have experienced are due most probably to:

{Choose one}

- Our practice of aggressively entering into new markets with new types of service offerings and programs.
- Our practice of concentrating on more fully developing those markets which we currently serve.
- Our practice of assertively penetrating more deeply into markets we currently serve, while adopting new services only after a very careful review of their potential.

One of the most important goals in this organization, in comparison to other organizations, is our dedication and commitment to:

{Choose one}

- () Insure that the people, resources and equipment required to develop new services and new markets are available and accessible.
- () Keep costs under control.
- () Analyze our costs and revenues carefully, to keep costs under control and to selectively generate new services or enter new markets.

In contrast to other organizations, the competencies (skills) which our managerial employees possess can best be characterized as:

{Choose one}

- () Broad and entrepreneurial: their skills are diverse, flexible, and enable change to be created.
- () Specialized: their skills are concentrated into one, or a few, specific areas.
- () Analytical: their skills enable them to both identify trends and then develop new service offerings or markets.

The one thing that protects my organization from other companies is that we:

{Choose one}

- () Are able to consistently develop new services and new markets.
- () Are able to do a limited number of things exceptionally well.
- () Are able to carefully analyze emerging trends and adopt only those which have proven potential.

More so than many other organizations, our management staff tends to concentrate on:

{Choose one}

- () Developing new services and expanding into new markets or market segments.
- () Maintaining a secure financial position through cost and quality control measures.
- () Analyzing opportunities in the marketplace and selecting only those opportunities with proven potential, while protecting a secure financial position.

In contrast to many other organizations, my organization prepares for the future by:

{Choose one}

- () Identifying trends and opportunities in the marketplace which can result in the creation of service offerings or programs which are new to the industry or which reach new markets.
- () Identifying those problems which, if solved, will maintain and then improve our current service offerings and market position.
- () Identifying those trends in the industry which other companies have proven possess long-term potential while also solving problems related to our current service offerings and our current customers' needs.

In comparison to other organizations, the structure of my organization is:

{Choose one}

- () Service or market oriented (i.e. customer service have marketing or accounting responsibilities).
- () Functional in nature (i.e. organized by department-marketing, accounting, personnel, etc.)
- () Primarily functional (departmental) in nature; however, a service or market oriented structure does exist in newer or larger service offering areas.

Unlike many other organizations, the procedures my organization uses to evaluate our performance are best described as:

{Choose one}

- () Decentralized and participatory encouraging many organizational members to be involved.
- () Highly centralized and primarily the responsibility of senior management.
- () Centralized in more established service areas and more participatory in newer service areas.

NATIVE ADVERTISING: HISTORICAL ROOTS AND CURRENT PRACTICES

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ABSTRACT

A new emphasis on branded content at traditional media organizations, including The Wall Street Journal and Condé Nast, has generated headlines and concern, but are these practices really new, and, if so, in what ways? This research looks at the history of advertising/editorial relationships in an attempt to better understand current practices and issues. Starting with the role of patent medicine advertising in the development of the popular magazine, and continuing through radio and television programming developed by ad agencies, the research presents early examples of branded content, examines the regulatory efforts that shaped practices, and explores the implications of historical factors for current and emerging promotional tactics that blend advertising and editorial content.

INVOLVEMENT IN REALITY TELEVISION AND CONSUMPTION RELATED ATTITUDE: A MULTI-ITEM MEASUREMENT SCALE

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ABSTRACT

Understanding development of teenagers' consumption related attitude through their involvement in various electronic media is critical for further theory building in the consumer behavior field. The aim of this paper is to develop and confirm a multi-item measurement scale for consumption related attitude development through teenagers' involvement in Reality Television (RTV). Various researchers have proposed perception towards fashion, imitation, and inspiration from media personalities as well as learning from product placement as the domain items for teenagers' consumption related attitude. Using a multi-step process, this research refined and adapted a six-item measurement scale for developing country teenagers' consumption related attitude through RTV involvement. These were then tested and confirmed using exploratory and confirmatory factor analyses techniques.

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

INTRODUCTION

As a teenager consumer socialisation agent; electronic media receives lot of research attention. Despite the considerable marketing communication potentials of social media and other post web technologies, television continues to garner the largest share of global shows and advertisements (Ewing 2013). Reality Television (RTV) is a contemporary electronic media vehicle. RTV has generated a lot of interest among teenagers because of its interesting contents. Furthermore, the nature of participants, format, and reward system, makes RTV different and exclusive from other TV programs. Understanding the role of RTV in the development of consumption related attitude of teenagers in a developing country is critical for further theory building in the field. It is particularly important due to the huge size of the teenaged market segment and impressive growth of electronic media in developing countries. Further, theory building in this area is also important in developing countries, where the population is relatively young. This paper attempts to identify the measurement variables of developing country teenagers' consumption related attitudes developed through their involvement in RTV.

CONSUMPTION RELATED ATTITUDE

Consumption related attitude is considered as one of the common outcome components of the consumer socialisation process. Current definitions of attitude possess some key features like evaluation, attitude to object, and tendency. Attitude towards the act of buying is the perceived consequences of purchase which is heavily discussed in consumer behaviour discipline (Blackwell, Miniard & Engal 2012). Overall, consumption related attitude can be conceptualised as an enduring combination of motivational, emotional, perceptual and cognitive process with respect to imitation, fashion, inspiration and product placement.

The current literature of consumer socialisation reveals that teenagers' attitudes are highly influenced by TV. TV influences a wide range of attitudinal domains that include from macro issues (e.g., environment, economics) to particular consumption related events (e.g., product evaluation). Moreover, teenagers' attitudes towards health issues, lifestyle and personal life are also influenced by TV. Generally, teenagers' attitudinal development as a result of involvement with TV is viewed from a social perspective followed by the context of consumer socialisation. This paper explores the issue from the perspective of consumer socialisation.

Theoretically, attitude development as an outcome of teenagers' socialisation process by media is mainly explained from the perspectives of social learning, displacement and cultivation theories. Social learning theory mainly highlighted the observational learning of teenagers from TV that influence teenagers' consumption related attitude. According to social learning theory; teenagers mostly observe from socialisation agents and develop their perceptions followed by particular actions. According to the displacement theory, teenagers watch various contents and role models on TV. In particular, the contents shown on TV, and celebrities are the key sources of teenagers' attitudinal development (Kocher & Lalos 2008). Cultivation theory suggests that the higher involvement with TV brings greater changes in values, beliefs, and resulting behaviour. Therefore, teenagers' consumption related attitude can be explained through their involvement with TV.

In this paper, teenagers' consumption related attitudinal development is addressed from the perspective of TV involvement. As one of the most contemporary forms of TV vehicles, RTV has brought a lot of exclusive features into it (e.g., nature of participants, various content, format, rewards, program layout). Therefore, with more teenagers' involvement in it, it is expected it will lead to development of their consumption related attitudes. In particular, from the perspective of cultivation theory, teenagers' involvement (e.g., time spent, attention, likings) with RTV may help develop their fashion consciousness and motivate them to imitate RTV celebrities. From the perspective of displacement theory, various contents of RTV (e.g., life style shows, celebrity fashion shows) may also influence teenagers' perception towards using products and brands. However, most of this learning occurs as a result of vicarious, rather than direct experience, and through a process of imitating behaviour of others called modelling. Therefore, imitating the role models from RTV and observing different contents as well as getting involved in RTV are assumed to be grounds of teenagers' consumption related attitudinal development.

METHODOLOGY

While some measurement items of development of teenagers' consumption related attitude through RTV involvement have been identified from the current literature, the measurement items are not directly applicable to developing country teenagers without some refinement and verification as they were related to various other electronic media vehicles and not directly to RTV and are generally developed country based. To develop measurement scales for developing country teenagers' consumption related attitude development by RTV, the widely used three-stage procedure suggested by was followed and was also supplemented with confirmatory factor analysis. Qualitative research was conducted to help refine the teenagers' consumption related attitude through RTV involvement construct and its measurement variables that have been developed based on the current literature, and quantitative methods to test the construct. Exploratory factor analysis was considered a test of dimensionality, with the aim to produce a set of items that reflect a single underlying factor or construct. To assess the internal consistency reliability, a popular approach, coefficient alpha was used, at the exploratory factor analysis stage. Confirmatory factor analysis using AMOS

was carried out to give a truer estimation of reliability and formally test the uni-dimensionality of the scale.

Data for both qualitative and quantitative phases of this research was gathered from Bangladesh, a typical developing country. At the qualitative stage, two separate Focus Group Discussion (FGD) sessions involving 10 Bangladeshi teenagers in each were conducted. The data was analysed using content analysis method. Data for the quantitative phase of the research was gathered from Bangladeshi teenagers using a Bengali (local language) version of a structured questionnaire initially developed in English. A total of 400 respondents were surveyed with equal representation of each gender.

REFINEMENT OF MEASUREMENT SCALE

Findings of this phase of research show that teenagers' consumption related attitude develops through their involvement in RTV. There are lot of similarities and distinctive features regarding consumption related attitude among the FGD participants. Most of them express their consumption related attitude through fashion consciousness, imitation and inspiration from media personalities. Moreover, product placements also come to their attention that influences their attitude.

Generally, teenagers watch RTV for entertainment and information. Teenagers closely observe outfits, hair styles and the latest fashions of the anchors and participants of RTV. Moreover, they get fashion and style related tips from lifestyle based RTV shows which develop their fashion consciousness. Furthermore, teenagers' favourite celebrities on RTV provide ideas about recent trends of style and fashion. Generally, girls are more involved with fashion and lifestyle based shows. However, most of the teenagers consider rationally when they think of buying products and brands shown on RTV. In particular, girls try to closely follow the fashion tips from RTV celebrities in lifestyle based RTV shows. However, social, religious and economic issues are also key influencing variables while they make their buying decisions. Overall, teenaged boys and girls like the attractive figures of RTV celebrities. Some of them desire to have a good figure or physique like RTV celebrities. Particularly, boys like the celebrities who have muscular physiques. Most of the teenaged boys think celebrities should have a good figure and physical fitness. Girls on the other hand appreciate the good looking celebrities, particularly the good figures of actresses and singers. However, none of them actively try to achieve this because they know it is impossible, rather they fantasize.

Generally, teenagers like products and brands shown on RTV. However, they are not always keen about RTV sponsoring brands. One participant (B 2) said, 'Everyone likes fashionable products'. On the contrary, they also realize products shown on RTV are often expensive, as well as are not always matching their tastes and choices. Furthermore, sometimes they get the fashion tips from RTV celebrities and try to buy outfits shown on RTV, but due to financial constraints they often have to compromise.

Also, teenagers appear to be quite conservative regarding prohibited items (e.g., alcohol, cigarettes) promoted on RTV, either as part of program content or as advertisements. Most of them believe that consuming these prohibited items cannot be a source of fun and excitement; rather they bring trouble in life. Furthermore, teenagers also have shown negative attitudes towards sexually appealing outfits worn by participants, or by judges. These days, not only in foreign RTV, but also in local ones, there are lifestyle based fashion shows where participants and sometimes judges are wearing sexually appealing outfits. Most of teenagers do not strongly consider RTV celebrities as their idol neither they show much interest of going out with these celebrities for lunch or any other events. Most of the respondents believe that RTV participants who wear sexually revealing outfits want cheap publicity. Further, they also

believe judges should maintain their image, not wearing unnecessarily sexually revealing outfits that contradict the local cultural orientations.

On the basis of the FGD findings, the measurement domains and variables of the construct teenagers’ consumption related attitudes through RTV involvement were dropped, refined or adapted for further quantitative testing.

ASSESSMENT AND CONFIRMATION OF MEASUREMENT SCALE

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

EFA was applied using principal component analysis extracting method. A total of 9 variables earlier identified through literature review and refined through qualitative research, making those adoptable to a developing country, were submitted for the exploratory factor analysis (EFA). After this stage, number of variables that had poor factor loadings (less than .50) was dropped from further analysis. This included variables cog 8 (teenagers’ prefer RTV sponsoring brands), att 6 (RTV celebrities are idol), att 7 (teenagers’ would like to have lunch with RTV celebrities).

The coefficient alpha for the consumption related attitude of CFA model is 0.81, shown in the Table 5, indicating that the variables are a good measure of consumption related attitude. Standard regression weights of all six measurement items are more than 0.5. Goodness-of-fit indices also indicate that the model fitted data well with GFI, AGFI, NFI, TLI, RMSEA and CFI all within acceptable level of criteria. Composite reliability .94 also indicates the reliability the underlying variables of ‘consumption related attitude’.

CONCLUSIONS, IMPLICATIONS AND FUTURE RESEARCH

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

<i>Table 6</i> <i>Multi-item Measurement Scale of Development Country Teenagers’ Consumption Related Attitude by RTV</i>	
Construct	Measurement Items
Consumption Related Attitude	1) RTV celebrities make teenagers’ fashion conscious 2) Teenagers get fashion tips from RTV 3) Teenagers buy cloths shown in RTV 4) RTV develops teenagers’ creativity 5) Teenagers like celebrities’ good figures 6) Teenagers like products shown in RTV

This research has identified and tested the multi-item measurement scale for the construct developing country teenagers’ consumption related attitude by RTV. These

measurement items can now form the basis for various further researches, particularly on developing country teenagers' RTV involvement and its effect on their consumption behavior.

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

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

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

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UNDERSTANDING THE TYPICAL VACATION AND RELATING FACTORS

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ABSTRACT

This paper investigates important associations and relationships observed from a survey data collection sample that asked respondents to describe their typical vacation. The research primarily examines variables that relate to vacation planning, decision making, activity level, and perceived level of rest (from the vacation). The results of the paper provide interesting links between a number of vacation variables and key vacation demographics. The study offers a richer understanding for the range of typical vacations taken across a variety of group sizes and group types.

THE IMPORTANCE OF UNIVERSITY TRADITIONS AND RITUALS IN BUILDING ALUMNI BRAND COMMUNITIES AND LOYALTY

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ABSTRACT

The purpose of this study is to expand the literature and determine factors that impact alumni giving and loyalty at institutions of higher education. Specifically, this research aims to identify a relationship between university traditions and rituals, the relationships of an alumni brand community, and loyalty toward an institution of higher education. This research proposes that a university, as a branded institution, constitutes a brand community, and that traditions and rituals, an important component of brand communities, can serve as a means by which students engage on campus and participate in a university's brand community and, in turn, become active and giving alumni of a university. We propose that the greater the perception of alumni that a university has valued, well-established traditions and rituals, the greater their brand community relationships and intended behaviors associated with loyalty.

The research was conducted in the context of the "University," a regional, comprehensive state university in the Midwest. A survey was conducted with alumni of the University to test a series of six hypotheses. Statistical analyses of MANOVA, ANOVA, and independent t-tests found support for all hypotheses; the mean scores for all four brand community relationships, overall brand community integration, and for four loyalty measures were all significantly different. Alumni who perceive that the University has valued, well-established traditions and rituals perceive stronger alumni-product, alumni-brand, alumni-institution, and alumni-alumni relationships, perceive a stronger overall integration within the alumni brand community, and exhibit stronger behaviors associated with loyalty than alumni who do not perceive that the University has valued, well-established traditions and rituals.

The results from this analysis provide theoretical and practical implications. Theoretically, the contribution of the research reported here is considering the importance of traditions and rituals in alumni brand communities and loyalty, a concept not addressed in previous research. Research has demonstrated that brand community integration is an influential contributor to desired marketing outcomes of institutions of higher education, both large and small. So, university initiatives that enhance and strengthen alumni brand community relationships are vital. Further, given the economic climate in higher education today, it is also vital that universities foster active and dedicated alumni as to garner financial support. Future research may incorporate the role and impact of additional constructs, such as nostalgia, on university traditions and rituals and alumni brand community relationships, expand the study beyond the University studied here, and expand the conceptualization and measurement of the four alumni brand community relationships.

Practically, suggestions for universities' marketing strategies and tactics are provided. Alumni associations, in particular, should be viewed as strategic, vital assets of universities and serve as keepers of traditions and rituals by supporting active student alumni groups and promoting the importance of traditions and rituals. Further, alumni associations should create new, cultivate existing, and revitalize old traditions and rituals. Finally, universities should develop and nurture brand communities with online students as well, create and foster traditions and rituals in which they may participate, and instill a sense that the university has valued, well-established traditions and rituals.

THE IMPORTANCE OF UNIVERSITY TRADITIONS AND RITUALS IN BUILDING ALUMNI BRAND COMMUNITIES AND LOYALTY

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LOYALTY PROGRAMS AND THE RISK OF INDUSTRY COMMODITIZATION

Hans O. Schumann, Texas A&M University

ABSTRACT

Loyalty is the Holy Grail for marketers. If the customer is loyal to you, you will get more than your market share of the customer's purchases; they will be willing to pay you more; they will be more forgiving when unfortunate problems arise with your product; and, spread positive word-of-mouth advertising to all their friends. To achieve this loyalty you must be doing something right in your customer's mind.

The foundation upon which this loyalty is built varies. Sometimes it is based upon the respect that the firm has earned because of what they have accomplished, the way they have treated you in the past, a comfort level in knowing what to expect vis-à-vis frequenting another provider, or the fear of the unknown and the uncertainty of using a competitor.

Because of power of a customer loyalty there is a temptation for firms to develop and launch "Loyalty Programs" to artificially encourage this consumer behavior.

To qualify as a true loyalty program the firm's activity must be organized with the specific goal of influencing the odds of winning future sales which would otherwise be in doubt. Based upon that definition, loyalty programs can take different forms. They range from simple punch cards allowing a coffee shop frequenter a "Free" coffee after 10 previous coffee purchases to very complex structures such as airline frequent flyer programs which have developed their own "currency" or point systems. Others develop organized social structures, clubs, or user groups for their customers.

Some of the most complex loyalty programs are partnerships over multiple vendors. Understanding the dynamics of these multi-vendor programs will be explored in this paper. The most current example are airline frequent flyer programs that allow for alliance member to share the program with other airline, hotel, car rental, and banking partners. Prior to 1973, United States retailers had a tradition of handing out trading stamps. In these programs, retailers would sign with one of several trading stamp companies and agree to distribute the stamps (usually at a ratio of 1 stamp per \$ in sales). The consumer would then in-turn redeem then completed stamp books for free goods.

This paper helps explains the phenomena of these programs and why large department stores are unlikely to adopt. In the case of trading stamps, the paper explains the reason for their demise.

BRAND PLACEMENT IN NOVELS AND COMPETITOR RECALL: THE ROBUSTNESS OF THE PART-LIST CUEING EFFECT

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ABSTRACT

This study considers whether a brand placed in a novel has a deleterious effect on the recall of competitive brands. A part-list cueing effect occurs when an increase in the salience of one brand inhibits the recall of competitors. Previous examinations of the part-list cueing effect have occurred in environments in which the cued brand name, brand package and/or brand advertising have been rendered artificially salient by being presented in isolation. The present study examines the robustness of the part-list cueing effect for brand information placed in novels--an environment in which brand information is not presented in isolation, but is instead integrated in the development of the plot's characters and locations. Four laboratory experiments examined the impact of brand placement on part-list cueing. Experimental stimuli included brand references placed in both content generated by a researcher and in that adapted from a best-selling author. A part-list cueing effect fails to emerge when subjects encounter a cued brand in the context of a novel. This finding was consistent across four product categories, unaffected by increases in the number of references to the cued brand (from four to nine), and not impacted by the cued brand becoming central, rather than incidental, to the plot.

The study is the first to examine part-list cueing in the context of brand placement. The study will be of interest to practitioners who are trying to assess the advantages and disadvantages of adding brand placement to their promotional arsenals.