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HIGHER EDUCATION AND THE MARKETING OF INTERCOLLEGIATE SPORTS PROGRAMS: A PORTFOLIO APPROACH

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ABSTRACT

Faced with greater needs to effectively manage enrollments, endowments and the branding of their institutions, colleges and universities are looking to successful sports programs as one way to further differentiate their institution in the marketplace. For smaller and some medium-sized institutions, it is becoming increasingly difficult to field a cadre of successful sports programs which both generate both positive revenues and national exposure for the institution. As a result, some of these schools are beginning to think more critically about the portfolio of sports teams which represent the institution, in an effort to increase the efficacy of those institutional investments.

INTRODUCTION

Increasingly colleges and universities are looking to sports teams and athletic programs in an effort to enhance the image, brand equity and brand awareness of their institution, and are using these efforts to also bolster student recruiting, retention and alumni giving. As the sports marketplace becomes increasingly crowded (Leeds and Von Allmen 2002), both on the professional and on the collegiate level, it is becoming more and more difficult for small and medium sized colleges and universities to be able to support a wide range of sports program which are competitive in nature. Additional pressures are being placed upon state-supported / assisted colleges and universities due to funding problems in many states; in turn, students, faculty, alumni and legislators are increasingly questioning the allocation of financial resources in areas such as intercollegiate sports.

BRAND EQUITY AND COLLEGIATE ATHLETIC PROGRAMS

The notion of brand equity is a recent one within the marketing discipline (Aaker 1991), and has been defined as "the set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers". In his later work, Aaker (1996) went on to develop a framework ("The Brand Equity Ten") which further crystallized the measurement and tracking of brand equity:

Loyalty measures

1. Price Premium
2. Satisfaction / Loyalty

Perceived Quality / Leadership Measures

3. Perceived Quality
4. Leadership / Popularity

Associations / Differentiation Measures

5. Perceived Value

6. Brand Personality
7. Organizational Associations

Awareness Measures

8. Brand Awareness

Market Behavior Measures

9. Market Share
10. Market Price and Distribution Coverage

Colleges and universities have also begun to examine the concept of brand equity and use the "Brand Equity Ten" (Brunswick 1997) as it relates to the complete set of operations for the institution, and it would seem that the success (or lack thereof) of the sports programs have a direct impact upon the brand equity for that college or university. Coupled with the decline in state-assistance for many colleges and universities and the increasing level of public scrutiny of tax payer expenditures for large sports programs (Sperber 2001; Zimbalist 1999), a strategy to enhance the efficacy of collegiate sports program expenditures is needed, especially for small and medium-sized institutions. One approach might be to employ portfolio theory (applied within the confines of NCAA rules and Title 9 requirements).

USING A PORTFOLIO APPROACH TO POSITIONING AND BRANDING SPORTS PROGRAMS

As an example application of portfolio theory (and brand equity) to collegiate sports programs, a 3 tiered approach might be used. Tier 1 would be the largest of the state-supported institutions (i.e., University of Wisconsin – Madison), where a full-complement of NCAA division 1 teams would be deployed, and emphasis (i.e., university support) would be widespread across a range of these sports teams (i.e., men's football, basketball, hockey, women's basketball). The brand equity associated with the school (i.e., University of Wisconsin – Madison) would be somewhat linked to sports team's competing and succeeding in various NCAA post-season tournaments (most sports) and bowl games (football). For Tier 1 institutions resources are not a critical issue.

Tier 2 schools would be medium-sized state-supported schools which have a full-complement of NCAA division 1 teams but have rarely if ever achieved a significant level of success with those programs. Increasingly the expenditures being made on these programs are questioned by students, alumni, state legislators, yet stronger alumni (and alumni groups) also pressure the university administration to maintain the status quo. The *Chronicle of Higher Education* has recently featured a number of articles on institutions which fit into this category (Tier 2) and have either dropped major sports programs (i.e., men's football for example) or are seriously considering doing so. In some instances, conference realignment has forced schools with marginal athletic programs to seriously consider downsizing or reallocating resources to other sports. Schools in tier 2 are strategically disadvantaged in the sense that there are pressures to support a broad array of sports programs but a lack of resources to propel these programs to high levels of success.

Tier 3 schools would be small-to-medium-sized state-supported schools; a good example would be University of Wisconsin – Green Bay (UWGB), where a much smaller and more targeted and refined complement of collegiate sports teams are deployed. UWGB's strategy is to focus support on NCAA division 1 teams (primarily men's and women's basketball) that are cost effective and can potentially yield broad exposure (i.e., for example, if the UWGB men's basketball team earns a slot in the NCAA division 1 national tournament, they will be part of an event watched by tens of millions of viewers). The brand equity associated with the school can be enhanced significantly (particularly in the short term) by the success of these targeted sports programs.

CONCLUSION AND FUTURE RESEARCH

While this paper has posed several example approaches to applying a portfolio-like model to positioning collegiate sports teams, a number of other viable frameworks might also be used. The intention here is to provide some insights into different ways to balance the need for collegiate sports programs with a declining resource base at many colleges and universities. As the success of collegiate sports programs become more and more relevant to the recruiting, retention and development fund activities of colleges and universities, it is argued that smaller and medium-sized schools will increasingly question the efficacy of their sports program investments and will begin to think more strategically about these same investments. Further research and model development in this area is needed.

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RATIONALITY IN CONSUMER DECISION MAKING

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ABSTRACT

This document presents the subjective expected utility model, the most popular individual decision making model across many disciplines, and mentions some of its limitations and need for improvement. Next, we present a multi-attribute model as an alternative framework to interpret individual choice behavior regarding product selection. Concepts from economics, psychology, statistics, and marketing are integrated to present a cohesive framework for individual decision making.

INTRODUCTION

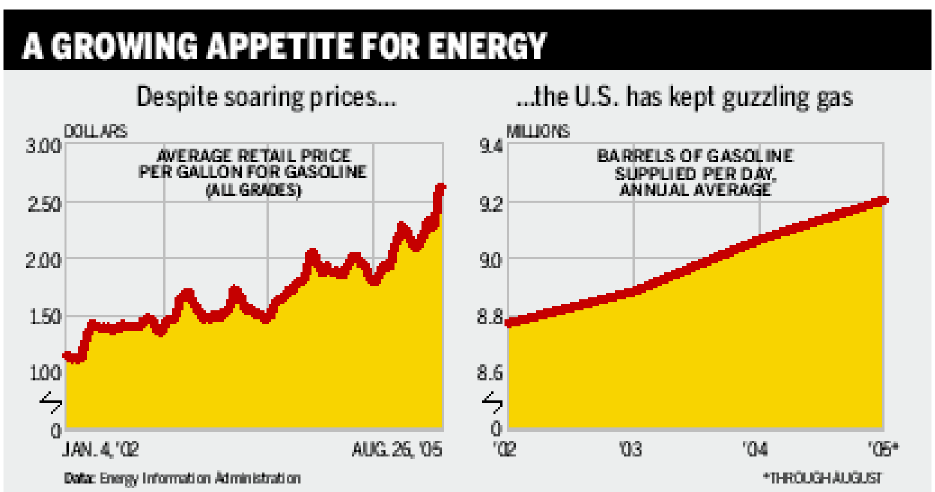
Individual decision making is addressed in many disciplines. The most famous theory of individual decision making across many disciplines is no doubt the subjective expected utility (SEU) model. SEU model was given axiomatic foundations by von Neumann and Morgenstern (1944) and extended by Savage (1954). This model is based on assumptions regarding the decision maker's preferences regarding a choice set. These assumptions include completeness, reflexivity, and transitivity. The model assumes that the consumer would choose the alternative that offers the highest utility. Through marginal analysis, the negatively sloped consumer demand curve is derived from the consumer's utility function which is based on SEU model. This model has intrigued economists for its focus on rationality on which much analysis is based; in psychology it provides a basis on which rationality can be tested; it provides support for Bayesian statistics; in philosophy it contributes as a new formal type of rational choice; and it is the heart of the classical decision theory (Anand 1993). In economics, the SEU model had been the dominant model of consumer choice, however, recent work by psychologists like Kahneman and Tversky has exposed some of the limitations of this model (see Rabin, 2003, for a summary). Also, Munro and Sugden (2003) discuss reference-dependent preferences which modify the SEU framework. SEU model is being revised in various disciples and alternative formulations of individual decision making have been proposed with various levels of success. Its axioms have been challenged and there is a debate about its status as a positive or normative model and the extent to which it could be generalized to explain individual choice behavior.

This, along with a series of other advances in economic choice theory relating to choice heuristics, rational ignorance, reference-dependent preferences, regret theory, prospect theory, loss aversion, achievement bias, inter-subjectivity, and, last but not least, the evolutionary psychology roots of our preferences, have fundamental implications for consumer theory.

IRRATIONAL BEHAVIOR

People are often aware of what is the best course of action for them but do not choose to implement such a course of action to obtain optimal results. So they may appear irrational on the surface even though the real reasons for their irrational behavior may be procrastination, inertia, following their past habits, envy, status-seeking, fear, panic, distorted self-perception or other reasons. People are emotional beings more often than calculating rational beings that the traditional economic theory describes. Sometimes people may overreact in fear or panic and may change their behavior for a long time even when it may not be rational to do so. We all know that regular exercise is good for health but few people engage in regular exercise. Few people regularly floss their teeth even though the dentists recommend regular flossing. There are compulsive gamblers and compulsive shop-lifters who do not behave rationally. People may be overweight and aware of possible problems due to being overweight but may not take the necessary steps to reduce their weight. There are people who are anorexic and they continue to want to lose weight even though they are underweight. These people are driven by their distorted self-concept. People who smoke are aware of the dangers of smoking but often they do not try to quit smoking. People know that drinking and driving do not mix but there are many drunk drivers on the roads on the weekends. The high gasoline prices in the 70s affected peoples' choice of cars and many people continued to choose smaller cars over bigger cars into the 80s when the fuel prices had come down to affordable levels for most people.

The price of gasoline kept on increasing between 2004 and 2005 but the consumption of gasoline also kept increasing during this time as shown in the figure below. This is contrary to the traditional theory of demand which states an inverse relationship between price and quantity demanded. However, after the Hurricane Katrina, as the price of a gallon of gasoline jumped over $3 and some gasoline stations ran out of gasoline, many consumers have switched their gasoline consumption habits by driving less, car pooling, buying more fuel efficient cars, etc. The sales of large SUVs and trucks have fallen while fuel efficient cars, like Honda Civic, have been sold out in most auto dealerships (Coy, et. al. 2005). So now people are behaving as the traditional demand theory suggests. However, they needed a shock like the one provided by Hurricane Katrina.



MULTIATTRIBUTE MODEL

It might seem that marginal analysis indicates that consumer behavior always changes gradually. This is obviously not the way people act. Sometimes market demand shifts very suddenly. Lancaster (1966, 1972) and Becker (1965, 1976) developed initial explanations for this kind of behavior. Consumers buy goods with features that satisfy their wants. Goods often have several features. Consumers compare both the bundle of features in similar goods and their prices. So, consumers may continue to buy a particular good as its' price increases. But at some point, they will switch entirely to another good with a better combination of characteristics and price. Since Lancaster considered multiple elements to consumer choice, he was able to show how consumer behavior can appear disjointed but still derive from marginal valuations. The generality of the law of demand becomes even more apparent when one considers how markets impose rationality on people who seek to act otherwise. Even if consumers try to buy more products at higher prices, the fact that prices place some options out of reach will still push consumers towards acting as if they were rational.

Factors other than price affect consumer behavior. Some consumers might emulate the actions of other consumers or seek status symbols. Consumers can take multiple factors into account when making their decisions. The status element of certain goods amounts to a different type of use value to consumers, over which they will trade on relevant perceived margins. The incorporation of status into consumer motivations enriches our understanding of consumer behavior, but does not invalidate marginal concepts.

Consumers often gain utility not directly from the goods that they purchase, but instead they transform the goods by a household production function into something that they value. The idea was originally proposed by Gary Becker and Kelvin Lancaster in the mid 1960s. In the rest of this article, we discuss a model of consumer choice that links economics, psychology, statistics, and marketing and offers an explanation of individual decision making. This approach is known by different names across disciplines that contribute to and enrich this model of individual decision making. In statistics, this model is called hedonic regression. In economics, more generally, it is called hedonic demand theory to estimate demand or prices. It decomposes the item being researched into its constituent characteristics (or feature or attribute), and obtains estimates of the value of each characteristic. In essence it assumes that there is a separate market for each characteristic. It may be estimated using ordinary least squares (OLS) regression analysis. Often an attribute vector (or dummy variable) is assigned to each characteristic or group of characteristics. Each characteristic within a vector is either included in the regression or not, by multiplying it by either 1 or 0.

Statisticians, psychologists, and marketers call the above model conjoint analysis (Louviere, 1988; Luce & Tukey, 1964; Green &Wind, 1973; Green & Wind, 1975) which is utilized to determine the importance of consumers' evaluative criteria. Conjoint measurement starts with consumer's overall judgment of products as bundles of attributes then this overall judgment (often expressed as preference or likelihood of purchase orderings) is decomposed into utilities for each attribute. Thus, it utilizes an additive utility model at the attribute level and is quite similar to the hedonic consumption model used in economics. Conjoint analysis utilizes factorial designs of experiments which could also be measured by a regression analysis using dummy variables.

The conjoint analysis, like SEU, utilizes a compensatory decision rule. A compensatory decision rule allows a consumer to evaluate brand options in terms of each relevant attribute and compute a weighted or summated score for each brand. The computed score reflects the brand's relative merit as a potential choice and it is assumed that the consumer would select the brand with the highest total score. A compensatory decision rule allows decision makers to tradeoff or compensate for low values on one characteristic (feature or attribute) with a higher value on another characteristic. For example, a consumer may choose a car with better performance even if it offers a low gas mileage. In contrast, noncompensatory rules do not allow tradeoffs of utilities for various features of a product. In this case, for an automobile, an unacceptable evaluation in terms of gasoline mileage would not be offset by a positive evaluation of performance (Schiffman & Kanuk 1994). Conjoint analysis is widely used in the academic and practitioner oriented marketing literature and extensively used in industry thanks to numerous software and packages like SAS, SPSS, etc.

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A TEST OF THE EFQM EXCELLENCE MODEL OF TQM

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ABSTRACT

The European Foundation Quality Model (EFQM) is based on nine criteria. Five of these are 'Enablers' and four are 'Results.' The 'Enabler' criteria cover what an organization does and lead to the 'Result' criteria that represent what an organization achieves. Feedback from 'Result' criteria help to improve 'Enabler' criteria.

A test of the EFQM quality model is performed here to study the relationship between the level of implementation of the model and the firm's performance. Firms with low level of quality implementation in all criteria show low results while firms with high level of quality implementation in all criteria show the highest results. However, firms with partial implementation of quality did not significantly improve their results. This article extends the work of Garcia-Bernal, et. al (2004) by utilizing multiple correspondence analysis to visually show relationships among 32 dummy variables showing four levels of quality at four groups of 34 firms representing four levels of quality implementation.

INTRODUCTION

TQM implies that quality should not be left to a quality controller who inspects for quality at the end of a production line but it should be a part of the whole organization from the arrival of raw materials to the departure of finished goods from the organization. The European Foundation Quality Model (EFQM) Excellence Model is a non-prescriptive framework based on nine criteria. Five of these are 'Enablers' and four are 'Results'. The 'Enabler' criteria cover what an organization does. The 'Results' criteria cover what an organization achieves. 'Results' are caused by 'Enablers' and feedbacks from 'Results' help to improve 'Enablers'.

The EFQM is used by thousands of organizations throughout Europe and is the acknowledged most robust quality and excellence model in existence today. It contains a set of nine weighted criteria that are utilized in the assessment process. Each criterion has a set of sub-criteria, 32 in total, that form the basis for the assessment and validation tool.

The Model is based on the premise that: Excellent results with respect to Performance, Customers, People and Society are achieved through Leadership driving Policy and Strategy, that is delivered through People Partnerships and Resources, and Processes. The EFQM Excellence Model is depicted below in Figure 1.

Figure 1: The EFQM Model of TQM

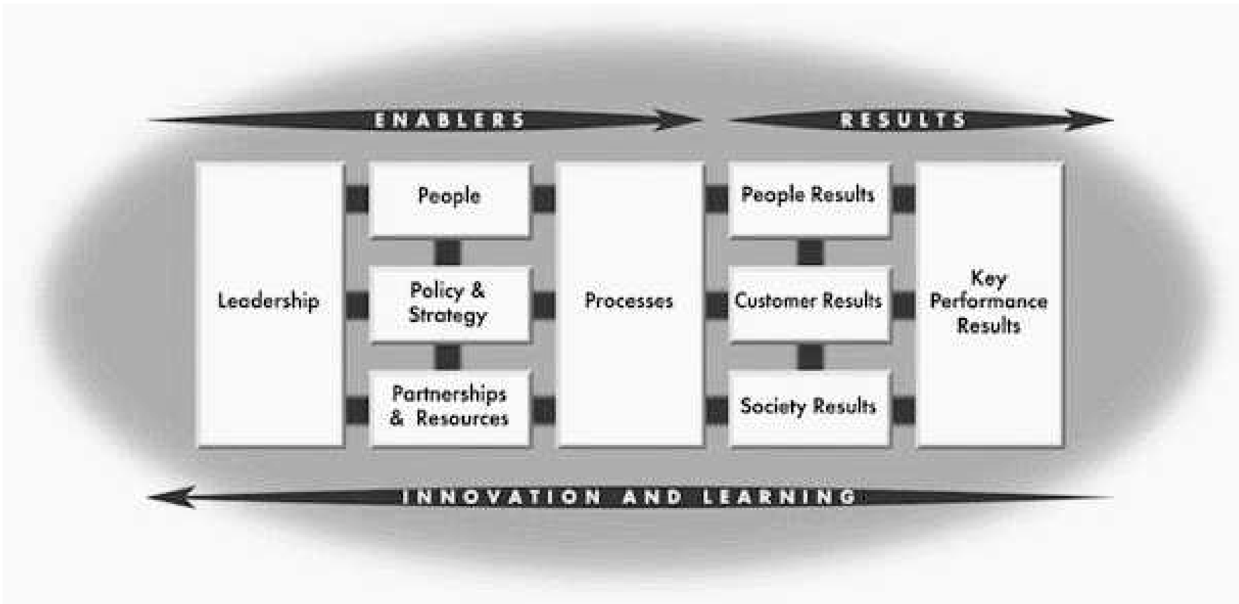

Table 1: The EFQM Criteria of Quality

Enablers	Results
1. Leadership The importance of leadership, products and processes is recognized. 2. People EFQM covers training, evaluation, effective human resource development, team working, empowerment, and rewards and recognition. 3. Policy and Strategy This covers product, service quality and organizational policy and strategy. 4. Partnerships and Resources Active encouragement of supplier partnership is given, with emphasis on mutually beneficial relationships. On resources, the facilities need to be maintained for capability, and materials should be conserved. 5. Processes The focus of EFQM is on the key processes necessary to deliver the organization's strategy.	1. People Results People are supposed to be adequately surveyed, with ideas such as team briefings and suggestion schemes incorporated. 2. Customer Results This requires evaluation of customer satisfaction through surveys and interviews. Loyalty and market share are measures. 3. Society Results EFQM asks the company to establish its impact on wider society, for example involvement in community activities. 4. Key Performance Results EFQM requires a "balanced scorecard" type approach, as well as cost of quality, product and process measures.

METHODOLOGY

Garcia-Bernal et al. (2004) test the EFQM quality model on a sample of 34 Spanish firms to study the impact of quality implementation on performance. The authors analyze 34 firms that have been evaluated by EFQM approved auditors. The valuations are based on the criteria and principles of the EFQM Quality model. All the firms are based in Aragon region (northeast) of Spain and were audited between 1997 and 2000. They utilize factor analysis to divide the sample into four groups based on the level of implementation of quality. They cluster analyze the data set and find four groups of firms where quality levels are similar within groups and different across groups. They note that lowest performance results are observed for firms that had the lowest level of quality implementation while the highest level of results were observed for firms with the highest level of quality implementation. However, intermediate level of quality implementation did not produce significantly high results. So their recommendation is to implement quality at a high level across the organization for higher results.

The present study extends the main findings of Garcia-Bernal et al. (2004) by expressing their data set in a three-dimensional visual form by using the multiple correspondence analysis (MCA). The findings of Garcia-Bernal et al. (2004) are confirmed and new insights are obtained from the three-dimensional plot of the complete data set.

CORRESPONDENCE ANALYSIS

Correspondence analysis (CA) is an exploratory data analysis technique. A particularly appealing aspect of CA is its graphical depiction of two different sets of points in the same low dimensionality. The graphical appeal of the technique seems to be its greatest strength in facilitating interpretation of the data set. The technique is most applicable when the researcher has a large data set consisting of several categorical variables (or variables which could be broken into categories).

CA can be described as finding the best simultaneous representation of two data sets that comprise the rows and columns of a data matrix (Lebart, Morineau, & Warwick 1984). It is an exploratory multivariate technique that converts a matrix of nonnegative data into a particular type of graphical display in which the rows and columns of the matrix are depicted as points (Greenacre & Hastie 1987). Simple correspondence analysis is the most basic form of correspondence analysis as applied to a two-way contingency table (cross-classification table). Multiple correspondence analysis applies when a multiway contingency table is coded as a matrix of indicator (or dummy) variables. The same algorithm applies to all types of CA (Greenacre & Hastie 1987).

CA originated simultaneously in the United States and in Britain (Hill 1982). Herschfeld (1935) seems to be the first in providing a mathematical account of the problem considered by CA. It was rediscovered in France in the early 1960s (Benzecri 1969; Lebart, Morineau, and Warwick 1984; Greenacre 1984; Greenacre & Hastie 1987). The theoretical basis of CA rests on the work of Eckart & Young (1936) on the singular value decomposition of a matrix. It is related to other multivariate techniques like the method of reciprocal averages, the analysis of variance approach, the principal components analysis, and the generalized canonical analysis (Hoffman & Franke, 1986; Greenacre 1984).

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UNIVERSITY BUSINESS SCHOOL MARKET ORIENTATION TOWARD STUDENTS AND OVERALL PERFORMANCE - AN EXTENSION

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ABSTRACT

The marketing concept is recognized by academics and practitioners as one of the most effective philosophies that organizations can employ to reach their objectives. The extent that an organization uses the marketing concept can be measured (Kohli and Jaworski 1990; Jaworski and Kohli 1993; Narver and Slater 1990) and is indicated by its level of market orientation. Narver and Slater's (1990) "market orientation" scale and Jaworski and Kohli's (1993) "top management emphasis on market orientation" and "overall performance" scales were reworded for application to university schools of business as perceived by deans and chief academic officers. Academics (Kotler and Levy 1969; Kohli and Jaworski 1990; Narver and Slater 1990) and practitioners (AACSB Accreditation Standards 2005; Baldridge Education Criteria for Performance Excellence 2005) agree that students can appropriately be considered "customers" of universities and that the behaviors and actions indicative of a higher level of market orientation toward these customers should enhance the performance of universities. Though previous researchers agree that higher levels of market orientation lead generally to higher levels of performance, they also call for further research to help identify the "ideal" levels of market orientation (which may not be the absolute highest levels).

This manuscript reports the results of an empirical study examining levels of market orientation exhibited in university schools of business toward students. The Narver and Slater (1990) scale, composed of three equally important component parts (customer orientation, competitor orientation, coordination), was reworded and used in this study to measure student market orientation. Part of a larger effort, the study extends previous research by reporting mean levels of student market orientation and mean levels of top management emphasis on student market orientation. These levels are reported for each of eight levels of performance. In addition to calculating and reporting the mean scores, we employ a series of t-tests to identify significant differences from performance level to performance level for the student market orientation components and for management emphasis on student market orientation.

Research questions were formulated and addressed by use of a national survey of AACSB and ACBSP affiliated business school deans. Cover letters and surveys were sent to deans of 1052 schools of business in the United States. Completed questionnaires were received from 225 respondents

A summary of the findings is presented. Limitations of the research are discussed and suggestions for future research are presented.

CAPITAL BUDGETING: WHERE DOES MARKETING FIT INTO THE EQUATION?

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ABSTRACT

In order for a firm to grow, the firm must often implement various growth-oriented projects. These projects may include adding a new product line, making an acquisition, building a new plant, or expanding operations internationally. The growth process may begin by brainstorming a number of new project ideas. After a number of new project ideas have been generated, the initial list of ideas is screened and those ideas that are inconsistent with the organization's strategy or are otherwise deemed inappropriate are eliminated from consideration. Ideas that survive the initial screening process are then examined for financial feasibility. A firm may use any of six commonly recognized capital budgeting techniques to analyze projects and select which projects should be pursued and funded.

However, financial projections are all too often made on the assumption of "all else being equal." The significance of marketing activities that may determine—or increase—the value of a particular project under consideration by a firm, is seldom directly recognized. This discussion examines the complementary roles and significance of finance and marketing in evaluating the investment potential of a project, which in turn determines whether a given project is—or is not—approved.

ETHICS IN ADVERTISING: SEX SELLS, BUT SHOULD IT?

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ABSTRACT

The purpose of this paper is to discuss whether or not it is ethical to use sexual appeals in advertising. The study also examines (1) if sex actually sells and if so, when and where is it being used in advertising, (2) the use of men and women in ads of a sexual nature, and (3) the role that ethics plays in the use of sexual appeals in advertising. It is important because it not only focuses on the use of sexual appeals in advertising, but also how ethical it is to do so.

The study found that sexual appeals are used often in advertising. Sex does catch people's attention in advertisements, but usually without much brand recognition. Women have been the primary focus in sexual advertising in the past and present, but men are starting to be used more often as the sex object in advertisements. Ethics plays a definite role. There is no clear view of what is ethical and what is unethical when it comes to advertising, but with careful consideration and planning, it is possible for advertisers to find a common ground and use sexual appeals without offending people in the process.

BROADENING THE RURAL BANK CUSTOMER BASE: LITERATURE REVIEW

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ABSTRACT

This paper presents a review of the literature regarding the challenges to rural banks in their attempts to identify and broaden their consumer bases. Information technology and competition from non-bank financial institutions will be addressed as they impact efforts to reach underserved customers. This paper presents some efforts from the literature that a small, rural bank can take to pursue its goal of serving all members of its community.

AN INNOVATIVE TEACHING METHODOLOGY FOR THE PRINCIPLES OF MARKETING COURSE

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ABSTRACT

It can be difficult to capture the interest of students today with a traditional lecture-only format for teaching a course, when their main reason for attending school is to better themselves in the workplace, and when the course is a basic required class needed for a degree in business. This paper discusses an alternative teaching methodology that employs a personal application of marketing principles to teach the principles of marketing course in such a way that it sparks student interest, addresses their needs, teaches them the basic principles of marketing, and perhaps impacts their self-esteem.

BACKGROUND INFORMATION

Students in the Principles of Marketing classes have demonstrated little interest in the subject as a required course for all business majors. Students in the business program tend to be focused on earning a degree in an attempt to a.) change careers, b.) acquire a better job or be promoted in the one they currently hold, or c.) start a small business. They are interested in obtaining information that will help them achieve these goals and in getting the degree that represents learning.

In the past at this university, the principles course had been taught strictly via the lecture method. When attempting to follow this traditional format it was soon discovered that many students simply were not engaged. A survey of students found that the most frequently used teaching method they had encountered and the method they liked least was the lecture. The least used method but the one most preferred was one that included "real life projects." The survey revealed that all students had encountered the lecture methodology with the least number experiencing the use of "realistic or real" life business projects.

Using the lecture model to spark interest in the subject matter did not seem to be an effective teaching methodology. Compounding the difficulty with the lecture model was the inability to draw the shy students or those with low self-esteem into class discussions. These two groups typically have been found to have the lowest participation rate in prior classroom discussions or activities.

RECENT LITERATURE ON TEACHING MARKETING CLASSES

Research was conducted for specific literature to find other teaching methods that had been applied to marketing courses. Winer (2003) used negotiation role-playing to teach marketing skills and content, Berger (1992) used brainstorming to teach creativity in advertising and integrated marketing communications, November (2002) used case study articles to teach marketing theory, and Smith (2004) used a personal marketing plan in teaching the principles of marketing.

Exit surveys of MBA students at Pace University had identified the need for negotiating skills and Winer (2003) developed negotiation case scenarios to use in basic graduate marketing courses. Winer's position, after using these negotiation role playing cases, was that teaching negotiating skills was important, not necessarily as a tool to teach marketing but because in and of itself it was a skill that students should know. Winer concluded that negotiation exercises could be used in marketing courses "without sacrificing content, provided the scripts are written especially to deal with marketing issues" (Winer, para. 11, 2003).

Berger found that "teaching brainstorming is one instructional activity which can help us move our students from the sidelines to the playing field" as it motivated "non-talkers to participate in the class" (Berger, para. 5, 1992). He used this method in integrated marketing communication courses and a graduate level public relations techniques course.

November used the hermeneutic (interpretive) teaching approach when teaching a marketing theory class by letting the students interpret in-depth articles related to marketing theory using an article analysis template he developed. November' s course using this methodology received high ranking in overall effectiveness on student evaluations but he found that generally there was "lack of interest by students in taking marketing theory classes but great academic opportunities for the optimist, salesman, and teaching innovator" (November, pg. 127, 2002).

Smith (2004) implemented a "Marketing You" project as an optional assignment in a Principles of Marketing class to be used to provide extra credit or to replace a low test grade. The assignment was to create a personal marketing plan using "Marketing You" worksheets as a guide. Smith concluded that using this project "can greatly benefit students in terms of the four project objectives 1.) developing needed skills, 2.) aiding in the job search process, 3.) enhancing learning in a large classroom setting, and 4.) improving the usefulness of the Principles of Marketing course for both majors and nonmajors" (Smith 2004). The project was optional and only 20% of the students completed it. It was done only one semester thus there were no indicators of long-term benefits and since it was anonymous, grades could not be compared with student perceptions of the project.

OTHER TEACHING MODELS

The Seven Principles of Good Practice in Undergraduate Education were compiled from a study supported by the American Association of Higher Education, the Education Commission of States and The Johnson Foundation in 1991. The 3rd and 7th principles seemed to point to the need for creating newer teaching models (Chickering & Gamson, para.5, 1991).

Winer (1999) posed that there were two old teaching models 1.) using lectures and examinations on the lecture content or 2.) using lectures and a lot of audio-visuals. Winer explored the use of experiential learning (case discussions, role-playing, simulations, and games) and authentic learning (school experiences that resemble experiences students encounter in real life). Winer concluded that "experiential learning conveys content and makes it more memorable" while authentic learning emphasizes "increasing students' ability to perform valuable tasks." In authentic learning "the teacher's principal role is to provide direction, guidance, and to maintain standards" (Winer, pg. 3, 1999).

Earlier materials on teaching by Sanders (1997) found that cases, games, and simulations clearly "offer learners a richer and more robust view of the workplace environment than the traditional lecture, but it is also clear that even the lecture has a place in the learning cycle" (Sanders, pg. 110. 1997). He concluded that while case studies, role-plays, simulations, and games (experiential learning) have been used, there is still much to learn about their effectiveness.

Becker (1998) found that experiential learning in some ways can be beneficial but can provoke strong negative reactions among participants. When participants, whether in games or role playing, "lose face" it decreases learning, can cause withdrawal, antagonism and sabotage and can lead to long-term negative attitudes. Using games and role-playing in the classroom would require instructors to learn and practice the techniques needed to help the participants (students) "save face." Learning those techniques can be difficult to do. Gordon (1998) defined three types of authentic learning as: a.) Academic challenges, b.) Scenario challenges, and c.) Real-life problems (Gordon, para. 10, 1998).

Since Winer (1999) found that student evaluations show that students perceive real-life authentic learning to be more valuable than text-book related learning activities he posed a new teaching model that: a.) "defines the school/student relationship as a partnership dedicated to the business success of the students and leads to a higher level of achievement of the business school's objectives, the students, and employers, and b.) implements authentic learning and experiential learning that are superior to lectures and multi-media presentations because they lead students to develop the skills and networks that they need for business success" (Winer, pg. 12, 1999). Winer concluded that of the two methods, authentic learning is more effective.

Berman and Evans (2004) offered several principles that if used, could create successful learning environments: "1.) learning should be goal oriented, 2.) a person learns more when he or she participates and is not a passive listener, 3.) different methods of learning should be combined, 4.) all people can learn if taught well; there should be a sense of achievement, and 5.) a teacher must provide guidance and adapt to the learner and to the situation" (Berman & Evans, pg. 288, 2004).

The challenges facing any instructor would be to create a model that captured the interest of the students, taught the core principles of marketing from the selected text, and made the learning experience as authentic and "real life" as possible.

A NEW APPROACH

It was decided to personalize the principles of marketing course by teaching students how to apply the basic principles of marketing to market themselves, creating their own "Brand Me" product. "Brand Me" questions were developed that corresponded to the content in each chapter in the text. These questions would be discussed by students in groups during each class period. The marketing principle questions were designed for the students to personally apply the principles of marketing to themselves, with the intent of their understanding how their product (themselves) could be designed, packaged, priced and promoted into a very marketable "Brand Me" product. In the process this methodology would also teach students the basic principles of marketing. The ultimate goals of this new model were to spark student interest in the Principles of Marketing course, teach the basic principles of marketing, and create a more "authentic" or experiential learning experience.

TRANSITIONING FROM LECTURE TO A MORE STUDENT-CENTERED MODEL

Over three semesters the course transitioned from a class taught solely by lecture to one taught with only some lecture. The remainder of the course format included "Brand Me" group discussion questions, article presentations, a guest speaker, chapter notes posted online and an emphasis on business practices applied to the classroom situation. There was a final presentation given by the student discussion groups that critiqued the course methodology.

Creating the "Brand Me" Questions

Chapter content notes were created that would be posted online for students to read before the scheduled class period. From the chapter notes "Brand Me" questions were developed, as much as possible, that corresponded to the content of the chapter to be covered for that period. The objective was to develop projects whereby students put into practice what they learned in class so that they build the necessary experience and confidence to use the information both personally and professionally to market themselves, creating "Brand Me" for themselves. This would give them learning that could be applied to their careers. Another objective was to instill in each student the desire to continue learning even after the class was completed so that they would continue to improve themselves both personally and professionally. Finally, the objective was to help students learn to think for themselves and to help them to discover more about themselves and the rest of the world.

FORMAT FOR A CLASS PERIOD

1. Lecture notes, which highlighted the major points in each chapter, were posted online before each class. They were posted early enough for students to read before class and they were encouraged to do so.
2. Class began with a brief lecture/discussion related to the posted notes.
3. Current articles relating to marketing were presented by students. At least one article was presented each class period, but no more than 3 per period. The instructor brought in articles pertinent to past chapter subject matter or relative to the chapters being discussed and these were given to students to present during the class.
4. Students broke into their respective groups to discuss the "Brand Me" questions that related to the material covered in the chapters for that class period.

GRADING

Depending upon the length of the semester, from four to eight multiple choice exams were given to test knowledge of chapter content of the text. Also depending on the length of the semester, students were required to either present one or two current articles. Grading of article presentations was based on their applicability to the course subject matter, whether or not they were current, and the poise, delivery and professional posture of the presenter. Attendance and peer evaluations also counted a percentage of the grade with each member in the student discussion groups evaluating the others' participation in the group discussions and contribution to the final presentation.

The final presentation, a critique of the course and their evaluation of the usefulness of the "Brand Me" questions, was considered the final exam. Students were required to give group presentations that addressed whether or not the objectives of the class had been met. If they had been met they were to explain how and if not, suggestions were to be made how they could be met in the future. Finally each student gave a mini presentation on how they personally applied the marketing principles to creating their own "Brand Me" product.

EVALUATION

Students during the first semester, when chapter notes were not used, made specific negative comments about the text stating that the "text was too wordy, redundant, and trite in places." By the second semester there were no comments about the text, probably due to the fact that chapter notes were posted online.

Students in both semesters wanted added to the course a "real life" marketing project using an external company, which is probably not feasible due to the amount of material covered in an introductory principles of marketing course. "Real life" marketing projects are utilized in more advanced courses such as marketing strategy and marketing research.

CONCLUSION

Student testimonials clearly indicated that the goals set for this course had been met. The students, over the two semesters, had been positively impacted by using the "Brand Me" approach for teaching the course. The teaching methodology had sparked student interest in the Principles of Marketing course, they were taught the basic principles of marketing in a more interesting and personal way, and it created a more realistic learning experience for the students.

Of the teaching methodologies used in the classes over two semesters, students rated chapter notes posted online and "Brand Me" questions as being the most valuable. Lectures rated below the other methods. Probably the reason that the classroom notes posted online rated so high was because three fourths of the students in the courses work.

The amazing part of using the "Brand Me" concept to teach the principles of marketing was the profound impact that it had on the students. They not only gained information but they shared it. What they learned from the course they shared with family members and friends, thus causing a ripple effect as the learning experience was disseminated to others outside the classroom. Students began to immediately use the information gleaned from the classes and started marketing themselves by creating personal business cards and attending professional meetings.

The course made them look at themselves from a totally different perspective and it appeared to build self-esteem and self-confidence. Students who were shy at the beginning of the course were becoming more participatory and outgoing. This was not a goal established at the beginning of the course but certainly a very positive outcome.

The new model for teaching the Principles of Marketing is to use "Brand Me" discussion questions in groups as it taught the principles of marketing by personally applying it to the student's life, and it created a more "authentic" or real learning experience. Posting chapter notes online prior to the class period, particularly when student work and/or have families as they do not have a lot of time in their day to study helped with the learning experience. When a teaching model positively and profoundly impacts a student's life and that of their friends and family it is one that should be considered by other instructors.

THE EFFECT OF RECIPROCAL DISPERSION ON PRICE ACCEPTABILITY: SOME RESEARCH PROPOSITIONS

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ABSTRACT

Pricing is an important strategy that marketers use to create and maintain customer relationships. Previous research of price acceptability has focused on the effects of the individual consumer in terms of prior knowledge (Rao and Sieben, 1992), product involvement and price consciousness (Lichtenstein et al., 1988), and the need for cognition and trait anxiety (Sui and Monroe, 2001). However, no research examines customers price acceptability in a relationship context. This paper studies the influence of relational reciprocity under the framework of reciprocal dispersion on customers price acceptability. Propositions are developed based on the theoretical and practical investigations.

Reciprocal dispersion is a framework designed to gauge the degree of relationship intensity: the larger the dispersion, the greater the relationship intensity, vice versa. Reciprocal dispersion is explained as the degree of deviation that the customer's perception fluctuates, as exchange experiences go along, within the span of expectation. By strategically enlarging the reciprocal dispersion, the company could position itself as a highly committed marketer to its customers' relationships. L.L. Bean, which runs a mail order and Internet catalogue business in clothing and equipment, has carefully blended its marketing programs to deliver this relational position. To its customers, it offers its commitment: 100% guarantee. This position sells L.L. Bean's relationships to its customers. The higher degree of reciprocal dispersion could lead to the higher possibility to sell the company's relationships to its customers. Therefore, as the degree of relationship reciprocity increases, customers' trust of a firm also increases which lowers decision risk and increase price acceptability. Three of the nine research propositions in this paper are listed below:

Proposition 1:	*The degree of relationship reciprocity is positively related to the upper acceptable price limit. That is, as the relationship reciprocity increases, customers' upper acceptable price limit increases and vice versa.*
Proposition 2:	*The degree of relationship reciprocity is negatively related to the lower acceptable price limit. That is, as the degree of relationship reciprocity increases, customers' lower acceptable price limit decreases and vice versa.*
Proposition 3:	*The degree of relationship reciprocity is positively related to the acceptable price range. That is, as the degree of relationship reciprocity increases, customers' acceptable price range increases.*

In summary, this research intends to study the relationship between reciprocal dispersion and price acceptability. The referencing effect is also considered to provide a greater understanding of customers judgments of price acceptability. If price acceptability limits indeed change as proposed in this study, building long-term relationship with customers is hence even more valuable than before. It is hoped that the proposed relationships will stimulate work in the area of relationship marketing and pricing.

THE IMPORTANCE OF THE INTERNET IN THE SELECTION OF SERVICE PROVIDERS

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ABSTRACT

This paper explores the level of importance of the Internet in the selection of a service. Some of the other factors that can influence the selection of services would include television advertising, reputation of the service provider, location, friendship or being related to the service provider, yellow page advertisement, price, and referral from a friend or relative.

INTRODUCTION

This paper focuses on the selection of an attorney because it is one of the most important decisions for many consumers and businesses. This research examines the complexity of the decision making process through a review of literature and attempts to analyze the importance of fees and other factors considered in selecting an attorney.

The authors of this paper will identify methods of promoting law firms based on the factors that are considered to be the most important in selecting the attorney.

The large number of attorneys from which consumers and business may choose will often make the decision more difficult. Categorizing the legal issues one has and selecting the attorney based on the firm's expertise is a daunting and complex goal in the selection process. The process of finding at attorney is similar to finding an accountant, banker, or doctor, which would make the findings in this paper applicable to many other service providers. One is looking for expertise and someone with whom one feels comfortable (Rosenberg, 2003).

DECISION MAKING PROCESS FOR SELECTING ATTORNEYS

Many studies have been done on how businesses select attorneys. Many business owners find attorneys through referrals, other company owners, accountants, or bankers (Rosenberg, 2003). Over 4000 senior executives of southern California companies were surveyed in a study to explore the criteria used for both the selection and retention of law firms by corporations. The sampling frame consisted of senior executives at public and private firms with annual sales revenue in excess of $3 million. The two most important factors that clients in the southern California market use in selecting a law firm are the specialized expertise of the firm in the areas the client needs most and the reputation for providing excellent service. The third, fourth, and fifth factors were a past favorable experience with the firm, a specialized understanding of the client's industry, and the ability to handle unusual or complex matters. The sixth and seventh most important considerations were recommendation of the law firm by a friend or trusted business advisor, and access to the most senior attorneys at the law firm. The importance of the proposed fee had the lowest score of all the factors considered in the selection of an attorney. This is an example of one of many studies that do not consider the use of the Internet in selecting an attorney (Seth and Martin, 2003).

Studies have considered issues dealing with the size of the law firm. Solo and small-firm practitioners get more complaints against them than large-law firms do. Keith Watters, a past president of the Bar Association of the District of Columbia and the National Bar Association, is convinced that the disciplinary system has an inherent bias against solo and small-firm lawyers. On the other hand, a 2001 study by the State Bar of California found no evidence of bias in the disciplinary process against solo and small-firm practitioners (Hansen, 2003). Disciplinary action or complaints that become public knowledge may have an adverse effect on the reputation of an attorney, which will effect attorney selection by those clients having such knowledge. In addition, there is a perception that larger firms have more resources and expertise to handle a wider variety of complex legal issues, which may enhance the firm's reputation and affect the selection decision on the part of consumers and business. Law firms correlate increased size to increased reputation in the marketing efforts (www.nichenews.com).

Research has considered issues on diversity in the selection of an attorney. A diverse workforce has become a major selling point for many firms. More and more clients at home and abroad want to make sure that minorities will be a part of the team working on their cases. Firms that maintain a diverse staff increase their chances of landing new business. Holland & Knight, an international law firm, has more minority law partners than any other firm in the country, according to a recent study by the Minority Law Journal (Marketing Roundup, 2002).

LawMoose, a web site, can be used to help a client identify an attorney or law firm that would best meet their needs. Some of the qualifications that can be identified on this web site would include foreign language skills, ability to participate in diversity programs, and knowledge of a particular industry (www.lawmoose.com). The number of law firm website searches continues to grow, as does the information available on such sites, as attorneys market to consumers and businesses acquiring information needed to choose an attorney or law firm (www.KEYTLaw.com).

Lawyers.com is another web site that can be used to help identify an attorney for personal or business needs. The individual using the web site would start by identifying their need which could include elder law, adoption, taxation, and a multitude of other practice areas. Attorneys that specialize in the different areas are listed geographically and one could select an attorney near his or her place of residence (www.lawyers.com).

The majority of research focuses on how businesses select an attorney. This paper focuses on how individuals select an attorney.

METHODOLOGY

The authors administered surveys by means of campus e-mail to the faculty and staff of a mid-sized state university in the Midwest to determine what factors were important in the selection of an attorney. All levels of employees at the university were asked to respond to the survey. There were 1522 surveys sent out and 451 were completed, resulting in a 29 percent response rate. This was intended as a pilot study. A future paper will include a more representative sample of the general population.

Respondents were presented with a list of factors that they might have considered in the selection of an attorney. They were instructed to check-off the factors they considered. The list of factors included television commercials, reputation of the attorney, reputation of the law firm, convenient location, attorney is a friend, attorney is a relative, yellow page advertisement, fee structure, referral from another attorney, referral from a bar association, referral from a friend or relative, and the Internet. Further, the respondents were asked to indicate their level of importance to different aspects of selecting an attorney on a scale of 1 to 5 (1 indicates no importance and 5 indicates the highest level of importance). The survey (see exhibit 1) measures the importance of reputation of the attorney, reputation of the law firm, location of the law firm, and fees.

SURVEY RESULTS AND DISCUSSION

The survey results indicated that 38.5% of the respondents considered referral from a friend or relative in the selection of an attorney. Reputation of the attorney came in second place with 33.8%. Reputation of the law firm came in third place with a figure of 23.4%. The attorney is a friend came in fourth place with a score of 14.3%. Convenient location and referral from another attorney tied with 10.4%. Yellow page advertisements were next with 6.9%. Fee structure and attorney is a relative were next with scores of 4.8% and 3.5%. Referral from a bar association and television commercials were tied at 1.3%. The Internet came in last place with less than 1% of the respondents indicating that they used it in the selection process of an attorney.

It was surprising that the Internet was the least important of all of the factors. This finding was discussed with a few local attorneys to seek their input. A prominent lawyer indicated that very few of his clients selected him because of the law firm's web site. Further, he stated that word-of-mouth is probably the most important factor. The survey results were what he would have expected.

The survey results demonstrate the tremendous importance of word-of-mouth communication because the respondents considered the referral from a friend or relative more than any other factor in the selection of an attorney. Reputation of the attorney came in second place, which is often based on word-of-mouth.

Research does support the importance of word-of-mouth communication. Word-of-mouth is more important than advertising because the source is seen as more reliable and capable of providing the potential buyer the impetus to take action (Day, 1971). When differences between brands are ambiguous and objective criteria to assess products are lacking, consumers often draw from the experience of others as a form of vicarious trial. This is particularly true in the case of services such as seeking legal advice, which would be hard to evaluate (Hanna and Wozniak, 2001).

Because of the intangible nature of services, customers rely heavily at times on price as an indicator of quality (Pride and Ferrell, 2003). A client who is measuring the quality of the lawyer based on the fees could be hesitant to use the attorney who charges the lowest fees.

Since so few respondents select an attorney based on yellow page and television advertising, law firms appear to be ineffectively spending promotional dollars. They might want to concentrate their efforts on developing strategies to stimulate favorable word-of-mouth communication among the members of their target market.

Networking would be very important for attorneys because referral from a friend or relative is the most important factor in selecting an attorney. Networking can be difficult to implement because it can require one to go out of their comfort zone. One suggestion is to attend events where at least 50 people will be in attendance. Spend time with people you do not know to make new acquaintances. It is best to connect with a few interesting people than with everyone at the event. Another suggestion is to listen more than talk. After listening to someone, a decision can be made on whether they are worth pursuing. Another idea is to use current contacts to get new ones. Ask the satisfied clients if they know of anyone who could benefit from your services. A possible marketing strategy for attorneys could include sending handwritten messages or cards to clients. Many people like the personal touch (Farber, 2002)

FUTURE RESEARCH

A future paper will consist of administering a survey to a more representative sample of the population to determine the factors they considered in the selection of an attorney. Marketing strategies that can be implemented by law firms to increase their client base will be developed based on the research findings.

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EVALUATING THE IMPACT OF POWER AND COHESION-BASED FAMILIES, AND JOINT USAGE OF PRODUCT ON JOINT PURCHASE DECISION BY SPOUSES: A DUAL PRODUCT ANALYSIS

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ABSTRACT

This paper examines the roles of family types on joint purchase decision of spouses in Malaysia based on an analysis of two product types namely furniture (shopping product) and vacation (specialty product). The impetus for this research emanates from the fact that a number of family decision-making studies have recognized joint decision between husband and wife, but none of these has considered the impact of family structure on joint decision between spouses. A field survey of 103 couples was conducted in Malaysia to understand the impact of family typing namely, strong vs weak cohesive family and modern vs traditional family on joint purchase decisions, as well as the moderation effect of joint product usage on these relationships. The results show that strong cohesive families make more joint decision on furniture and vacation and than weak cohesive families. Similarly, modern families make more joint decision on furniture, and vacation than traditional families. These outcomes to a very large extent do not depend on joint usage of the product. Details of the results as well as theoretical and managerial implications of the findings are discussed.

INTRODUCTION

The structure of the family, its long-term properties, determines the behavioural interactions between family members in the decision process. Two structural dimensions are often used to describe the type of family - power and cohesion (Holdert, & Antonides 1997). Holdert and Antonides classify family into traditional and modern, based on power, and into weakly and strong cohesive families based on cohesion. These family types often determine how purchase decisions are made, for example, whether by the husband, or the wife, or both. This information is vitally important for marketers targeting families, in designing effective marketing strategies. It is therefore the aim of this paper, to examine the influences of strong and weak cohesive families as well as traditional and modern families, on joint purchase decision of Malaysia spouses on furniture and vacation. Also evaluated, are the moderation effects of joint product usage in the relationships above.

LITERATURE

Family is defined in this research as a group of two persons or more related by blood, marriage, or adoption and residing together (U.S. Census Bureau 1978). This definition describes membership of the family structurally rather than functionally. Murdock (1949) proposes that family has four essential functions: (1) socialization, (2) economic cooperation, (3) reproduction, and (4) sexual relations. Among these functions, Reiss (1965) found that socialization is the most prevalent function in the nuclear family. While the concept of consumer socialization has been well researched, the integration of this concept into the family decision framework has been ignored and may provide additional insight into this phenomenon.

The family is considered as an important decision-making unit, due to the large quantity of products and services that form part of the everyday life of a household. According to Cox (1975), the individual members who make up the family unit exercise an influence over each other's behaviour and, therefore, over the activities which form part of consumer decision-making. The structure of the family consists of the long-term properties of the relationship between family members. Kirchler (1989) argued that two underlying structural dimensions could be distinguished in a family: power and cohesion. In the literature, there is no single definition of power. However, there is agreement about the difference between potential power and power actually exerted, called influence (Corfman & Lehmann, 1987). Potential power is the ability of a person to change the attitudes, opinions or behaviour of other people. Influence is the consequence of the active or passive exercise of power. In a relationship, the division of power has been described as traditional versus modern, considered to be a continuum. The distribution of power in the relationship affects the way decisions are made.

Davis (1976) claims the existence of large authority difference in traditional relationships. This may frequently take the form of a hierarchical structure. According to Hagenaars and Wunderink-Van Veen (1990) a strictly hierarchical family has a patriarchal structure where the husband and father are considered the head of the family. Kirchler (1989) states that many decisions in a traditional relationship are taken autonomously by one of the spouses. Modern relationships are characterized by a high degree of joint participation in carrying out tasks and taking decisions (Davis, 1976). Hagenaars and Wunderink- Van Veen (1990) state that husband and wife have equal influence in a modern relationship. Kirchler (1989) states that in egalitarian relationships, spouses decide much less by role-segregation than in traditional relationships. However, both spouses wish to fulfill their individual desires. As a consequence, many decisions are made together but conflicts arise due to different opinions.

The second underlying structural dimension is cohesion, which is considered a continuous dimension. Cohesion is indicated by the degree of harmony in a family, the degree of interest in each other and the coalition dynamics. In general, cohesion includes the (degree of) emotional bonds between family members. Research has shown that a higher degree of cohesion is associated with a more harmonious family life and less egoistic decision making by the family members (Kirchler, 1989). See Table 1 below.

JOINT PURCHASE DECISION

Firms must be aware of family purchasing behaviour, in order to implement appropriate marketing strategies. The differences as to who makes the decisions within the family can be determined by different variables, which will show how the power relations within the family unit are produced. It is of interest, therefore, to know who exercises influence in each decision that is made. Within this context of family decision-making, this paper concentrates exclusively on the study of the influence exercised by the spouses in the final decision stage. The analysis focuses on a series of important decisions that are jointly made in the majority of households.

A number of prior body of research has concluded that the amount of influence depends on the family/household characteristics (Howard & Madrigal, 1990). Scanzoni and Szinovacz (1980), focusing on traditional versus modern sex roles found that traditional sex roles sharply are different and rigid, and tend to make family decision-making quite simple; that is the expected behaviours of the husband-wife are quite clear. In the more modern sex role, the behaviours of each spouse are becoming less predictable because of the increased flexibility and freedom associated with the role. In a study of changing female roles on family purchase patterns, Green and Cunningham (1975) found that husbands of modern wives tend to make fewer purchase decision than husbands of traditional wives. Schwenk (1983) also reported similar findings. In this paper, the authors advance current understanding in this area by exploring the role of family types on joint purchase decision on shopping and specialty products by spouses, as well as the moderation effect of joint usage.Shopping products are less frequently purchased consumer products and services that customers compare carefully on suitability, quality, price, and style (Armstrong & Kotler 2003). When buying shopping products and services, consumers spend much time and effort in gathering information and making comparisons. Examples include furniture, clothing, used cars, major appliances, and hotel and motel services. Shopping products marketers usually distribute their products through fewer outlets but provide deeper sales support to help customers in their comparison effort (Armstrong & Kotler 2003).

Specialty products are consumer products and services with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort (Armstrong & Kotler 2003). Examples include vacation destinations, specific brands and types of cars, high-priced photographic equipment, designer clothes, and the services of medical or legal specialist. Vacation, for example, is a specialty product because buyers are usually willing to travel great distances to buy one. Buyers normally do not compare specialty products; they invest only the time needed to reach dealers carrying the wanted product (Armstrong & Kotler 2003).

METHODOLOGY

Kirchler (1989) distinguishes two structural dimensions of the family: power and cohesion. From this distinction, Holdert & Antonides (1997) identified four family types used in this research – the traditional family, the modern family, the weakly cohesive family, and strongly cohesive family. The dependent variable is final purchase decision. This is the third and final stage of Davis and Rigaux's (1974) three stages of the family decision-making process, the first two being problem recognition and information search, both of which are beyond the scope of this research. Furniture and vacation were respectively chosen from the shopping and specialty product categories, having been identified in previous studies (e.g. Davis & Rigaux 1974; Holdert & Antonides 1997; Belch & Willis 2001) as jointly decided by husband and wife.

The population of the study is married couples in Kota Kinabalu, Sabah, Malaysia. The list of married couples registered with the Statistic Department in Kota Kinabalu, Malaysia was used as the sampling frame. The responding couples were randomly selected from the list. Questionnaire was used in the study, which was distributed personally and through the post mail to the selected families. Request to spouses to complete the questionnaire separately and independently was included in the questionnaire. The purpose was to help check any influences each spouse's opinion might have on the other.

Validated items from previous studies were used to measure the study constructs. The questionnaire is of four parts. In the first and second parts, joint family purchase decision and family structure were determined, with items adapted from Moschis and Moore (1979) and Carlson et al (1990). To categorize families into these types, statements were assessed by means of a four and five point Likert scales. Then following Moschis and Moore (1979) the scales were summed and families classified as 'high' or 'low' on each dimension by splitting up at the median. The third part of the questionnaire contains demographic information about the respondents. Single items were used to measure demographic variables such as age, occupation, gender, education, years of marriage, etc. of respondents.

RESULTS AND DISCUSSION

The Cronbach Alpha values for all the items are well above .60 recommended by Hair at al (1998), which indicates high reliability. The multiple regression analysis was employed to test the construct relationships. Dummy variables were created before using the family categories in the regression analysis. These are the independent variables used to account for the effect that different levels of a non-metric variable have in predicting the dependent variable (Hair et al 1998). In creating the dummy variables, the first step was to decide the number of dummy variables, which is simply k – 1, where k is the number of levels of the original variable. In this instance 2 – 1 = 1 dummy variable was created as follows: (a) Weak cohesive family = 0 (un-coded variable) & Strong cohesive family = 1 (coded variable); (b) Traditional family = 0 (un-coded variable) & Modern family = 1 (coded variable).

Table 1 shows the results of the regression analysis used to determine the relationship between family structure (cohesive and power-based family) and decision on shopping product (furniture). The results show that family structure contributes significantly (F = 52.18; p = .000) and predict 34% of the variations in joint furniture purchase decision.

Table 1: Impact of Family Structure on Joint Decision on Shopping Product

Independent variables	Beta coefficients	t-value	p-value
Dummy for cohesive-based family	0.252	3.381	0.001
Dummy for power-based family	0.388	5.217	0

R^2 = .340 F = 52.183 Sig. F = .000
Dummy definition: Weak cohesive = 0; Strong cohesive = 1
Traditional family = 0; Modern family = 1

Details of the results show that the coded variables namely, strong cohesive family (t = 3.381; p = .001) and modern family (t = 5.217; p = .000) are significantly positively associated with joint shopping product decision. The results indicate that strong cohesive family significantly make more joint purchase decision on furniture (shopping product) than the weak cohesive family (beta = .252). Also modern family make significantly more joint purchase decision on furniture (shopping product) than the traditional family.

Table 2 shows the results of the test on specialty product (vacation). The results show that family structure contributes significantly (F = 67.92; p < .001) and predict 41% of the variations in joint vacation purchase decision.

Table 2: Impact of Family Structure on Joint Decision on Vacation

Independent variables	Beta coefficients	t-value	p-value
Dummy for cohesive-based family	0.4	5.637	0
Dummy for power-based family	0.298	4.197	0

R2 = .401 F = 67.916 Sig. F = .000
Dummy definition: Weak cohesive = 0; Strong cohesive = 1
Traditional family = 0; Modern family = 1

Details of the results show that strong cohesive family ($t = 5.64$; $p < .001$) and modern family ($t = 4.20$; $p < .001$) are respectively more significantly positively associated with joint vacation decision as compared to weak cohesive and traditional family. The results indicate that strong cohesive family significantly make more joint purchase decision on vacation (specialty product) than weak cohesive family. Also modern family make significantly more joint purchase decision on vacation than traditional family.

MODERATION EFFECT OF JOINT USAGE OF PRODUCT

The results show that joint usage significantly moderates the relationship between cohesion-based family structure and joint decision on the purchase of furniture, but not that of power-based family. Therefore, the significant difference in the impact of strong cohesive family over the weak cohesive family in making joint furniture purchase decision is largely because of joint, which is more common in strong than in weak-cohesive family. Also greater impact of modern family over traditional family in making joint purchase decision does not depend on joint usage, but on joint participation in carrying out tasks characteristic of the former.

Table 3: Moderating Effect of Joint Usage (Shopping Product)

Variables	Step 1	Step 2	Step 3			
	Beta	Sig.	Beta	Sig.	Beta	Sig.
Dummy for cohesive-based family (DCBF)	0.387	0	0.186	0.052	-0.563	0.113
Dummy for Power-based family (DPBF)	0.253	0.001	0.135	0.011	0.456	0.229
Joint usage			0.464	0	0.391	0
DCBF * Joint usage					0.85	0.031
DPBF * Joint usage					-0.375	0.358
R2 Changes	0.339	0.131	0.013			
Significant F Change	0	0	0.082			

Dummy definition: Weak cohesive = 0; Strong cohesive = 1
Traditional family = 0; Modern family = 1

Joint usage has no significant moderation effect on the relationship between family structure and joint decision on the purchase of vacation. The significant difference between strong cohesive family and weak cohesive family in making joint purchase decision on vacation does not depend on joint usage. Similarly, the significant difference between modern family and traditional family in making joint purchase decision does not depend on joint usage.

Table 4: Moderating Effect of Joint Usage (Specialty Product)

Variables		Step 1	Step 2	Step 3		
	Beta	Sig.	Beta	Sig.	Beta	Sig.
Dummy for cohesive-based family (DCBF)	0.398	0	0.212	0.001	0.602	0.111
Dummy for power-based family (DPBF)	0.299	0	0.168	0.008	0.072	0.863
Joint usage			0.502	0	0.536	0
DCBF * Joint usage					-0.424	0.289
DPBF * Joint usage					0.11	0.803
R2 Changes	0.401	0.168	0.003			
Significant F Change	0	0	0.452			
Dummy definition: Weak cohesive = 0; Strong cohesive = 1 Traditional family = 0; Modern family = 1						

IMPLICATIONS AND CONCLUSION

The theoretical contribution of this study is salient. Davis (1976) argues that modern relationships are characterized by a high degree of joint participation in carrying out tasks and taking decisions, while Kirchler (1989) shows that a higher degree of cohesion is associated with a more harmonious family life and less egoistic decision making by the family members. The outcome of this study buttresses the views of these earlier studies, and advances knowledge in this area by providing empirical evidence from two product categories. It also improves on the current knowledge by showing the superiority of strong cohesive family to the weak cohesive one, and that of the modern family to the traditional family in making joint purchase decisions on the two products, irrespective of whether the product is used by both spouses or by one of them.

The research also holds important implications for practitioners interested in the subject of family decision-making. Firstly, promotional efforts by marketers should be addressed to both spouses. The use of exclusive campaigns that are gender-based may be ineffective, since both couples have a say in the decision of what to buy, when to buy, and how much to spend. Market segmentation on the basis of gender should be dropped because of its questionable value-addition. Firms selling furniture and vacation should develop strategies that are not gender bound, strategies that appeal to both husband and wife of modern families and strong cohesive families.

In sum, strong cohesive families tend to make more joint purchase decisions on furniture (shopping product) and vacation (specialty product) than weak cohesive families. Modern families tend to make more joint purchase decisions on furniture (shopping product) and vacation (specialty product) than traditional families. The prevalence of strong cohesive family over the weak cohesive family in making joint purchase decisions on furniture will be even greater where there is joint product usage, whereas the preponderance of the impact of modern family over traditional family in making joint purchase decisions on furniture and vacation does not depend on joint usage. These findings are important information for marketing decision-makers who are targeting ‘DINKs' families.

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EFFECTIVENESS OF SALES PROMOTIONAL TOOLS IN MALAYSIA: THE CASE OF LOW INVOLVEMENT PRODUCTS

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ABSTRACT

The thrust of this paper is to evaluate the effectiveness of sales promotional strategies namely, coupon, price discount, free sample, bonus pack, and in-store display in the purchase of low involvement products by Malaysian consumers. The paper also recognises that certain demographic factors such as education and income of consumers could potentially confound the observed relationships hence, these factors were controlled. A total of 312 consumers in Kota Kinabalu, Malaysia were surveyed using structured questionnaire. The results show that price discounts, free samples, bonus packs, and in-store display are associated with product trial. Coupon does not have any significant effect on product trial. Details of the findings and their implications are discussed.

INTRODUCTION

Research on the use of marketing tools in Malaysia is very scanty at best. Very little is understood about the Malaysian customers and their purchase behaviours, especially with regards to how they respond to the various promotional strategies used by marketers. Since the bulk of the extant literature on these relationships till date remains the Western perspective; there is need for research focusing on the Malaysian consumers and the Malaysian environment, which is unfamiliar to most readers. Since understanding the behavioural responses of Malaysian customers to sales promotion strategies is salient in customer management and in designing effective sales promotion strategies, important impetuses for this research are established. To embark on this task, the research focuses on low involvement products (LIP), which are generally believed to be more responsive to promotional tools than high involvement products. Low involvement products are those that are bought frequently and with a minimum of thought and effort because they are not of vital concern nor have any great impact on the consumer's lifestyle (www.marketingprofs.com).

LITERATURE REVIEW

According to Shimp (2003), sales promotion refers to any incentive used by a manufacturer to induce the trade (wholesalers, retailers, or other channel members) and/or consumers to buy a brand and to encourage the sales force to aggressively sell it. Retailers also use promotional incentives to encourage desired behaviours from consumers. Sales promotion is more short-term oriented and capable of influencing behaviour. Totten & Block (1994) stated that the term sales promotion refers to many kinds of selling incentives and techniques intended to produce immediate or short-term sales effects. Typical sales promotion includes coupons, samples, in-pack premiums, price-offs, displays, and so on.

Coupons have been used to produce trial (Robinson & Carmack 1997). According to Cook (2003), coupons are easily understood by the consumer and can be highly useful for trial purchase. Gilbert and Jackaria (2002) concurring to the popularity of coupon reported that coupon is ranked last as the promotional least widely used by consumers and least influence on product trial. Other studies (e.g. Peter & Olson 1996; Gardener & Trivedi 1998; Darks 2000; Fill 2002) have reported the importance of coupons as a sales tool.

Price promotion does influence new product trial (Brandweek, 1994). According to Ehrenberg et al. (1994) short-term peaks in sales were due primarily to purchases made by occasional users of a brand rather than by new customers. Furthermore, the study concluded that these occasional users, after taking advantage of the price reduction, would most likely return to their favourite brands in their portfolio rather than buy the promoted brand at full price. However, Shimp (2003) and Fill (2002) among other extant studies have documented a link between price promotion and product trial.

With regard to free sample, another important promotional tool often used by firms, marketing managers recognize the importance of product trial and direct behavioural experience with a product, hence they often mail free samples of products to consumers so that consumers can try the products for themselves, rather than just hear about the products (Kardes, 1999). However, Gilbert and Jackaria (2002) found that a free sample as a promotional offer had no significance on consumers' reported buying behaviour, whereas Pramataris et al. (2001), Fill (2002), and Shimp (2003), have shown otherwise.

Factory bonus pack according to Lee (1963) is used to increase consumer trial of the brand. Larger package size and accompanying advertising of the offer tended to make the promotion noticeable (Gardener &Trivedi 1998). Since more of the product is included at no extra cost, consumers can be persuaded to buy the product if they feel it represents a deal that produces the greatest value for their money. According to Gilbert and Jackaria (2002), packs with "buy-one-get-one-free" may not increase brand awareness before trial purchase because the customer will only come across the product once in the store (unlike samples or coupons), however, if the promotion is noticeable it will facilitate brand recognition and brand recall for future purchases. Since an additional amount is given for free, consumers may be persuaded to buy the product if they feel it represents a fair deal that provides value for money. Ong et al. (1997) found that consumers appeared to be slightly sceptical of the bonus pack offer, but somewhat more trusting of the price and quantity claimed. In other words, believability of the bonus pack offer was weak, however, they would likely buy one bottle and not buy more than one bottle they concluded. The report speculated that this happens because consumers suspect that manufacturers do raise prices slightly in conjunction with bonus pack offerings.

Product trial involves actually trying or using a product (Kardes, 1999). According to Peter and Olson (1996), trialability refers to the degree to which a product can be tried on a limited basis or divided into small quantities for an inexpensive trial. Banks (2003) wrote that with sales promotion, brands have a chance to quickly affect consumer choice and behaviour by adding value through an on-pack offer, by achieving incremental display or by encouraging trial via sampling and/ or couponing. According to Schindler (1998), a price promotion that is designed to evoke attributions of responsibility could be expected to appeal to consumers more than one that does not evoke such attributions, and thus have a greater ability to create product trial among consumers. Wayne (2002) found a link between sales promotion and product trial. Chandon, et al. (2000) indicated that sales promotion may be attractive to highly promotion prone consumers for reasons beyond price savings. These highly promotion prone consumers may switch brands to receive "special" deals that reflect and reinforce their smart shopper self-perception. They concluded that highly promotion prone consumers might try a new product that has promotion. Thomas (1993) argued that the magnitude of planned distribution and promotion expenditures (advertising, sales promotions, sales force, and so on) could affect initial trial of the brand.

METHODOLOGY

In this study, five consumer promotion tools- coupons, discount, samples, bonus packs, and in-store display were investigated for their impact on consumer purchase behaviour. Items from Garretson and Burton's (2003) study of consumer proneness towards sales promotion were adapted in the measurement of proneness to coupon, price discount, free sample, bonus pack, and in-store display. Trial behaviour of consumers were measured with items adapted from Gilbert and Jackaria (2002). Example of the items measuring free sample, bonus pack, price discount, in-store display, and coupon include: (1) If a brand offers ___ (free sample/bonus pack/price discount/in-store display/coupon); that could be a reason for me to buy it, (2) When I buy a brand that offers ___ (free sample/bonus pack/price discount/coupon), I feel I am getting a good buy; (3) I have favourite brands, but most of the time I buy a brand that offers ___ (free sample/bonus pack/price discount/in-store display/coupon); (4) One should try to buy a brand that offers ___ (free sample/bonus pack/price discount/in-store display/coupon); and (5) compared to most people, I am more likely to buy brands that offer free ___ (free sample/bonus pack/price discount/in-store display/coupon). In store display has four items only, because of the omission of item 2, which is considered irrelevant with respect to in-store display. There are five items measuring trial, for example, coupon enables me to buy a product, which I have not tried before, price discount makes me to buy a product, which I have not tried before, etc.

The population of the study consists of consumers in Kota Kinabalu, Malaysia. The sample points were supermarkets in Kota Kinabalu area. The survey instrument was self-administered to customers using a mall intercept technique. Some respondents who could not answer on the spot were given a copy of the questionnaire (to be answered at home) with a postage paid return envelope. A five point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree) was used for the construct's dimensions. A total of 420 questionnaires were distributed and only 312 were returned, which represents a response rate of 74%. The Multiple Regression Model was employed to predict the relationships in the construct.

RESULTS AND DISCUSSION

Demographic Profile

Out of the 312 usable questionnaires returned by the respondents, 59.6% were female respondents, and 40.4% were male. Various income levels (in Malaysia Ringgit) were represented, for example below 24,000 was 60.9%, 24,000-47,999.99 (29%), 48,000-71,999.99 (9%), and so on. Chinese consumers made up 51%, Kadazan-Dosuns (22%), Malays (16%), Indians and others (11%). The ages of the respondents were as follows: below 20 (13%), 20-39 (62.8%), 40-59 (22%), and 60 and above (2.2%). The rate of married respondents was 46%, while singles represented the balance of 54%. With respect to education background, 50.6% had secondary school education and less, 26% had high school and diploma qualifications, and the rest (23.4%) were degree and post-graduate degree holders.

Although the observed patterns of item loadings were similar for both Varimax (adopted in this study) and Oblique rotation (alternative technique), providing grounds to assume that the instruments are consistent, the internal consistency of the instruments were further tested via reliability analyses. Cronbach's alpha test was used to ensure the reliability of the variables. For sales promotional tools, the results indicate acceptable values: coupon (a=0.81), price discount (a= 0.86), free sample (a= 0.87), bonus pack (a=0.88), and in-store display (a= 0.87). The Cronbach's alpha value for product trial is 0.81. Mean score for all dimensions are as follows: coupon (2.99), price discount (3.67), free sample (3.08), bonus pack (3.28), in-store display (2.84), product trial (3.22).

Table 2: Descriptive and Reliability Analysis Results				
Variables	No. of Items	Mean	S/D	Cronbach's Alpha Coefficient
Coupon	5	2.99	0.77	0.81
Price Discount	5	3.67	0.75	0.86
Free Sample	5	3.08	0.81	0.87
Bonus Pack	5	3.28	0.77	0.88
In-store Display	4	2.84	0.84	0.87
Product Trial	5	3.22	0.73	0.81

Relationship among Constructs

Table 3 shows the results of the regression analysis used to determine the relationship between the promotional strategies and product trial. Standardized beta coefficients are reported all through, as standardized regression coefficients allow for a direct comparison between coefficients as to their relative explanatory power of the dependent variable (Hair et al. 1998).

Table 3: Promotional Tools and Product Trial			
Independent variables	Beta coefficients	t-value	p-value
Constant		5.932	0
Coupon	0.023	0.401	0.689
Price discount	0.143	2.334	0.02
Free sample	0.218	3.483	0.001
Bonus pack	0.114	1.9	0.058
In-store display	0.234	4.322	0
R2 = .294 F = 25.218 Sig. F = .000			

The above results show that coupon, price discount, free sample, bonus pack, and in-store display contribute significantly (F = 25.22; p = .000) and predict approximately 30% of the variations in product trial. The 30% explanation is considered good for a behavioural science research. Further examination of the results shows that price discount (t = 2.334; p = .020), free sample (t = 3.483; p = .001), and in-store display (t = 4.322; p = .000) are significantly associated with product trial at 5% significance level. Bonus pack is moderately associated with product trial ($t = 1.900$; $p = .058$). Hence there is enough evidence to accept hypotheses 2, 3, 4 and 5. The results indicate that in-store display is the strongest predictor of product trial followed by free sample, price discount and bonus pack. There is no significant relationship between coupon and product trial ($t = 0.401$, $p = 0.69$) at 5% significance level, which leads to rejection of hypothesis 1. Therefore, it is conclusive that coupon is not a strong determinant of product trial among the respondents. This may be because of the sparse use of coupon as a promotional strategy by marketers in Malaysia. As a most rarely used promotional tool in Malaysia, many consumers may not be familiar with it compared to other promo-tools.

The results of this study provide some useful information on the impact of the five promotional tools on consumer buying behaviour (product trial). With respect to consumer proneness to sales promotions, the results show that in-store display plays a significant role in shaping consumer product trial reaction. Moreover, the results of this study show that free sample and price discount play significant roles in influencing consumer product trial behaviour. This finding is consistent with the views of Blackwell et al. (2001). Another sales promotional tool that has important effect is bonus pack. Bonus pack is instrumental in increasing consumer trial of a brand, thus, the more of the product included at no extra cost, the greater the likelihood of consumers buying the product for trial. Although, the effect of bonus pack on product trial is lower than other promotional tools such as in-store display, free sample, and price discount, bonus pack remains a useful marketing tool.

Contrary to some earlier findings (e.g. Banks 2003; Blackwell et al. 2001), coupon in this study does not have significant effect on product trial. This could be as a result of the respondents' poor familiarity with the use of coupons. In fact in Malaysia, the use of coupons as a promotional strategy is not as common as the use of other promotional tools. Marketers in Malaysia very seldom use coupons, resulting in the tool's unpopularity among Malaysian consumers. Zajonc (1980) had earlier shown that exposure to a stimulus enhances a person's attitude toward it.

Control

The control procedures applied in this study include the following: (1) examination of the role of familiarity with each promotional tool on the impact (or lack of it) of the tool on product trial; and (2) examination of potential confounding effects of respondents' education and income levels.

Firstly, to examine whether consumer familiarity with particular promotional tool is what explains its effectiveness, the study controlled for this factor. From the result in Table 4 below, it can be said that the weak impact of coupon on trial is attributable to the unfamiliarity of Malaysian customers with coupon. This may have resulted from the seldom use of this tool by marketers in Malaysia.

Table 4: The Role of Familiarity on the Effectiveness of Tools

Variables	B	Sig.
Coupon*Familiarity	0.779	0.017
Price Discount* Familiarity	0.068	0.874
Sample* Familiarity	-0.28	476
Bonus Pack* Familiarity	-0.457	0.236

In-store Display* Familiarity	0.356	0.237
R|	0.289	

Further analysis confirms that familiarity is a key issue in coupon-trial relationship. Taking coupon use at below median and above median (inclusive), the corresponding values were assigned 1 and 2 respectively. Similarly, taking familiarity with coupon at below median and above median (inclusive), 0 and 1 were assigned. By plotting the graph of these dimensions, the resulting levels of product trial for different levels of coupon usage and familiarity with the tool are as shown in Figure 2.

Figure 2: Trial at Different Levels of Coupon Use and Familiarity with the Tool

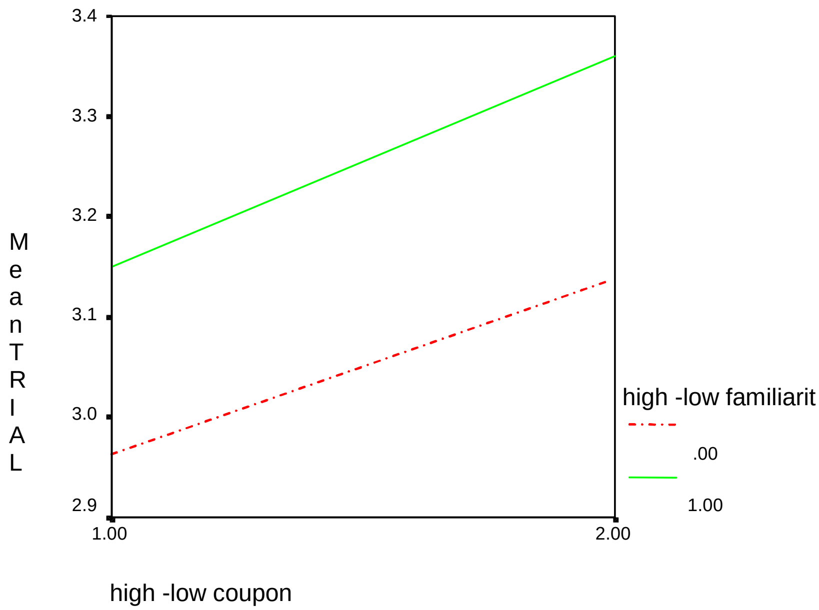

Figure 2 shows that customers, who are familiar with coupon, increase product trial as more coupon are offered. In other words, the behavioural responses of highly coupon-familiar customers are greater than the responses of those who are not familiar with the tool.

CONCLUSIONS AND IMPLICATIONS

This research has important implications on theory. The framework provides new insights into the understanding of sales promotional strategies and their impacts on Malaysian customers' behavioural responses in low involvement product setting. In addition, it helps to explain the role of familiarity with sales promotion tools. Malaysian consumers respond more to free sample, price discount, in-store display, and bonus pack than coupon. A plausible explanation for the weak influence of coupon is poor familiarity with the tool. This research shows the linkages among various promotional tools and product trial, and thereby helps to better understand how Malaysian consumers respond to various promotional tools offered by marketers. This is an important contribution to the body of knowledge in this field and in Malaysia in particular, being one of the pioneer studies in this area in Malaysia.

The results also have important implications for practitioners. One of the major implications of this research is that firms can increase sales by offering the right promotional tools to attract trial customers. Therefore organisations should carefully plan their promotional strategies, and allocate promotional budget over the different promotion tools, giving preference to the more effective tools. Promotions that emphasize in-store display, free sample, price discount, and bonus pack are likely to be more effective than coupon.

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CUSTOMER LOYALTY AND ANTECEDENTS: A RELATIONAL MARKETING APPROACH

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ABSTRACT

Organisations desire to cultivate loyal customers, as a result, they strive to satisfy if not delight them. Such desire has led to the growing interest in relational marketing (RM) since by leveraging privileged information gained through closeness to customers, an organisation is able to create and deliver greater value than competitors and in turn retain its customers. However, the relational marketing antecedents of customer loyalty have not received adequate empirical examination. This study therefore adopts the relational marketing approach in helping to better understand the antecedents of customer loyalty in the Malaysian banking sector. A total of 230 bank customers participated in the survey. The data were factor analysed and the resulting dimensions were subjected to discriminant analysis to determine the factors that discriminate between loyal and disloyal customers.

INTRODUCTION

Relationship marketing is a useful strategy for breeding customer loyalty (Ndubisi, 2004). Customer loyalty offers numerous benefits to the recipient organisation. For example, research has shown that the cost of serving one loyal customer is five to six times less than the cost of attracting and serving one new customer. Although there is a long list of benefits associated with relationship marketing, little is understood from empirical view point about the actual influences of the underpinnings of relationship marketing and overall relationship quality customer loyalty, as vast scholarship in this area have remained conceptual. Moreover, much of the work on relational marketing to date focuses on the Western perspective, as hardly any work has been done in the Malaysian and Asian context to identify the key dimensions of relational marketing that discriminate between loyal customers and those who are not. Being culturally collectivist (Hofstede, 1980; Hofstede & Bond, 1998; Ndubisi, 2004) with a distinct relationship structure, a Malaysian study on relationship marketing is necessary as different implications may be unearthed that will assist marketing practitioners in designing effective customer management strategies that will aid in consummating high level of customer satisfaction and customer loyalty. Thus, the objectives of this research are to identify the RM underpinnings that best discriminate between high and low levels of customer loyalty, and to examine the role of customer satisfaction.

LITERATURE REVIEW

The relationship marketing concept has emerged within the field of service marketing and industrial marketing (Berry 1983; Jackson 1985; Gummesson 1987; Christopher et al. 1991; Gummesson 1991). According to Webster (1992), the phenomenon described by this concept is strongly supported by on-going trends in modern business. Berry (1983) viewed relationship marketing as a strategy to attract, maintain and enhance customer relationships. Rapp and Collins (1990) argued that the goals of relationship marketing are to create and maintain lasting relationships between the firm and its customers that are rewarding for both sides, while Blomqvist et al (1993) offered the following key characteristics of relationship marketing: every customer is considered an individual person or unit, activities of the firm are predominantly directed towards existing customers, it is based on interactions and dialogues, and the firm is trying to achieve profitability through the decrease of customer turnover and the strengthening of customer relationships. Gummesson (1993) concluded that relationship marketing is a strategy where the management of interactions, relationships and networks are fundamental issues.

The relationship marketing literature has theorized a number of RM keystones for example, competence (Anderson & Weitz 1989), trust (Moorman et al. 1993; Morgan and Hunt 1994; Wong & Sohal 2002; Ndubisi 2004), commitment (Morgan and Hunt 1994; Wong & Sohal 2002; Ndubisi 2004), equity (Gundlach & Murphy 1993), empathy (Ndubisi, 2004), conflict handling (Dwyer et al. 1987; Ndubisi et al. 2004), and communication or sharing of secrets (Crosby et al. 1990; Morgan and Hunt, 1994; Ndubisi et al. 2004). Two main shortcomings are associated with many of these prior reports. Firstly, majority of them are conceptual, hence they lack empirical validity. Secondly, the few prior empirical studies on relationship marketing consider the RM keystones in bits and pieces thereby not allowing a full understanding of the interrelationships among these constructs. For example, Wong and Sohal (2002) examined trust and commitment, while Ndubisi et al. (2004) examined trust, commitment, communication, and conflict handling. Nevertheless, in this paper, a comprehensive list of key underpinnings namely, competence, trust, commitment, communication, conflict handling, and overall relationship quality was derived and evaluated alongside customer satisfaction for their discriminant power over customer loyalty.

Competence was defined as the buyer's perception of the supplier's technological and commercial competence (Anderson & Weitz 1989). The National Retail Merchants Associations reported that businesses lose approximately 20 percent of their customers each year (Rakstis 1996), most of which arise from issues relating to incompetent service delivery. Trust has been mentioned in a number of studies as one of the important underpinnings of relational marketing. Moorman et al. (1993) defined trust as "…a willingness to rely on an exchange partner in whom one has confidence. Other scholars (e.g. Anderson & Narus 1984; Schurr & Ozanne 1985; Dwyer et al. 1987; Crosby et al. 1990; Gronroos 1990; Morgan & Hunt 1994; Bitner 1995; Wilson 1995) have also considered the role of trust in relationship building. Commitment is one of the important variables for understanding the strength of a marketing relationship, and it is a useful construct for measuring the likelihood of customer loyalty as well as for predicting future purchase frequency (Gundlach et al.1995; Morgan and Hunt 1994; Dwyer et al. 1987). Wilson (1995) stated that commitment is the most common dependent variable used in buyer-seller relationship studies. Moorman et al. (1992) defined commitment as an enduring desire to maintain a valued relationship. Communication is the ability to provide timely and trustworthy information. Today there is a new view of communication as an interactive dialogue between the company and its customers that takes place during the pre-selling, selling, consuming and post-consuming stages (Anderson & Narus 1990). Communications in relationship marketing means providing information that can be trusted; providing information if delivery problem occur; providing information on quality problems and fulfilling promises, etc. It is the communicator's task to build awareness, build consumer preference by promoting quality, value, performance and other features, convince interested buyers, and encourage them to make the purchase decision (Ndubisi et al. 2004). Communication also tells a dissatisfied customer what the organisation is doing to rectify the source of dissatisfaction. Conflict handling refers to the supplier's ability to minimize the negative consequences of manifest and potential conflicts (Dwyer *et al.* 1987). Conflicts handling reflects the supplier's ability to avoid potential conflicts, solve manifest conflicts before they create problems and the ability to discuss openly, solutions when problems arise. How conflicts are handled will ensure loyalty or infidelity.

Relationship quality has been discussed as a bundle of intangible value, which augments products or services and results in an expected interchange between buyers and sellers (Levitt, 1986). The more general concept of relationship quality describes the overall depth and climate of a relationship (Johnson, 1999). The term also refers to a customer's perceptions of how well the whole relationship fulfils the expectations, predictions, goals and desires the customer has concerning the whole relationship (Jarvelin and Lehtinen, 1996). Bejou et al. (1996) concluded that customer-salesperson relationship quality is an important prerequisite to a successful long-term relationship. Satisfaction with the delivered products and services has been suggested and empirically documented as affecting the buyers' decisions to continue a relationship (Ndubisi 2003; Anderson, 1994; Fornell, 1992; Hirchman, 1970). According to Hirchman (1970), Richins (1983), and Singh (1988) when customers are satisfied, the likelihood of exit from the relationship and negative word of mouth is reduced greatly. The confirmation/disconfirmation theory (Churchill & Surprenant 1982; Oliver 1980) explains that satisfaction is achieved when expectations are fulfilled (confirmed). Selnes (1998) found that satisfaction had a direct effect on continuity. Loyalty is a deeply held commitment to re-buy or re-patronize a preferred product or service in the future despite there are situational influence and marketing efforts having the potential to cause switching behavior (Oliver 1999). Grossman (1998) had the notion of customer loyalty as making customers feel committed, but when the benefits are meaningful to them then they will stay on. It has been argued that for loyal buyers, companies must invest in relationship building and closeness with customers (Ndubisi et al. 2004).

METHODOLOGY

The population of this study is bank customers in the city of Kota Kinabalu, Bank intercept technique was used in administering the research questionnaire. The survey ran for four weeks and customer participation was not mandatory. A total of 400 customers accepted the questionnaire, but only 230 completed and returned the instrument. Out of this number 10 were voided because of incomplete data, so only 220 were eventually used.

A multiple-item approach was chosen for this study in line with preference in marketing (Churchill 1979; Nunnally 1978). The questionnaire items were adapted from the following sources: communication (Anderson & Narus 1990), commitment (Johanson et al. 1991), competence (Anderson & Weitz 1989), and conflict handling (Dwyer et al. 1987). Items for trust were adapted from Crosby et al. (1990) and Morgan and Hunt (1994), while overall relationship quality items were adapted from Crosby et al. (1990) and Dwyer et al. (1987). According to Wong and Sohal (2002), measuring overall relationship quality is preferable to using trust, product/service related quality perceptions, customer satisfaction, etc. (as in Hennig-Thurau 2000; Smith 1998), which are antecedents of relationship quality and not part of the construct (Wong & Sohal 2002). Customer satisfaction included five items adapted from Singh (1988), Churchill and Surprenant (1982), and Ndubisi (2003). Lastly customer loyalty included two items adapted from Bloemer et al. (1999). These items were measured on a seven-point Likert scale, ranging from "strongly disagree" to strongly agree".

In order to evaluate the impacts of the RM underpinnings and relationship quality on customer satisfaction and customer loyalty, the discriminant analysis was employed. This tool is appropriate when the dependent variable is categorical. For this study, two levels of customer satisfaction and customer loyalty were categorized. Categorization of these dimensions followed the method used by Moschis and Moore (1979) and Carlson et al (1990). The scales were summed and customers classified as low or high on each dimension by splitting up at the median. Below the median is considered low level, and above the median is high level.

RESULTS

The internal consistency of the instrument was tested via reliability analysis. Reliability estimates (Cronbach's Alpha) for the construct's dimensions are as follows: Trust (0.84), Competence (0.71), Communication (0.78), Commitment (0.84), Conflict Handling (0.73), Relationship Quality (0.83), Customer Satisfaction (0.89), and customer loyalty (.93), suggesting a high degree of reliability. The results exceed .60 (Hair et al. 1998) lower limit of acceptability.

The Stepwise Discriminant Analysis was carried out to discriminate between high and low levels of satisfaction and loyalty. Discriminant analysis is preferred because it has an advantage over the t-test in that it compares two groups in terms of group centroids, thereby taking into account the interactions between the individual variables. Stepwise discriminant analysis was used to select the most useful discriminating variables. The stepwise discriminant analysis is a logical and efficient way to seek the best combination of discriminating variables, especially in an exploratory study (Klecka, 1980). To identify the variables that have statistical and practical significance, the loadings of ± .30 (Hair et al. 1998) was used. Hair and colleagues argued that generally any variable exhibiting a loading of ± .30 or higher is considered substantive.

Table 1 below summarizes the discriminant results for customer loyalty. High structure correlations (>.30) are observed for all the dimensions namely, competence, communication, commitment, conflict handling, trust, relationship quality, and satisfaction. This indicates that these factors are sufficient for discriminating between loyal customers and those who are not.

Table 1: Stepwise Discriminant Analyses for Customer Loyalty

Key dimensions	Structure correlations
Customer Satisfaction	0.886*
Relationship Quality	0.660*
Trust	0.563*
Communication	0.551*
Conflict handling	0.408*
Commitment	0.445*
Competence	0.629*
Eigenvalue	0.40
Canonical Correlation	0.53
Wilks' Lambda	0.72
Chi-square	72.68
Significance	0.000

	Mean Values		Significance
	High	Low	
Customer Satisfaction	4.48	3.83	.000*
Relationship Quality	4.24	3.77	.000*
Trust	4.23	3.86	.000*
Communication	4.28	3.77	.000*
Conflict handling	4.09	3.61	.000*
Commitment	4.04	3.55	.000*
Competence	4.01	3.44	.000*

* P < .05

Furthermore, the mean values for all dimensions were assessed and the results show that the estimates are significantly higher for loyal customers than for customers with very low fidelity.

IMPLICATIONS

Six dimensions were introduced to discriminate between high and low levels of customer satisfaction. These dimensions are competence, communication, commitment, conflict handling trust, and overall relationship quality. The results show that all the variables have high structure correlations and discriminated well between satisfied and unsatisfied customers. The table also shows the mean values of satisfaction for the two groups. Mean values of the variables (i.e. competence, communication, commitment, conflict handling, trust, and relationship quality), are significantly higher for satisfied customers compared to those who are not. These results indicate that customer satisfaction depends on the bank's competence, commitment, communication, conflict handling, trust and the quality of bank-customer relationship. Banks that show strong commitment to service, and those that are competent, trustworthy, efficient communicators, good conflicts managers, and those that have superb relationship with customers will end up with satisfied customers, while those that are lacking in these dimensions will produce unsatisfied customers.

There are few implications of these findings for practitioners in relation to customer relationship management. First, banks which desire to satisfy customers should insist on acts that will earn customers' trust, be committed to service always, demonstrate competence, communicate efficiently and reliably, handle conflicts satisfactorily, and continuously maintain good relationship with customers. These qualities must be measured in the customers' eyes, not with the bank's yardstick. Second, management should establish effective commitment, communication, trust, competence, and conflict handling strategies based on the list of items that constitute these variables. By capitalizing on these items, which have been rated highly by satisfied customers, effective interventions can be designed to assist in enhancing overall customer satisfaction.

The results of the second stepwise discriminant analysis for customer loyalty show that seven dimensions are sufficient for discriminating between high and low levels of customer loyalty. The seven dimensions include the five underpinnings of relationship marketing, relationship quality and customer satisfaction. The results show that all the dimensions have high structure correlations with significant results and discriminate well between the two levels of loyalty. The results also reveal that the mean values for all predictor variables are significantly higher for loyal customers compared to those who rank low in loyalty. Consequently, the following variables, competence, communication, commitment, conflict handling, trust, relationship quality, and customer satisfaction, show significant results indicating that these variables discriminate well between loyal and otherwise bank customers.

The implications of the findings for managing customer loyalty are germane. By building quality relationship with customers, and satisfying them better than competitors can do, banks would be able to lift switching cost and retain customers. Beside quality relationship and customer satisfaction, by exhibiting trustworthy behaviours, showing genuine commitment to service, communicating information to customers efficiently and accurately, delivering services competently, and handling potential and manifest conflicts skillfully, banks can also earn customer loyalty.

CONCLUSIONS

This research has succeeded in identifying a list of dimensions that underpin relationship marketing, identifying an underlying structure for relationship marketing underpinnings that can serve as a basis for future research, identifying those underpinnings that best discriminate between satisfied customers and those who are not, and between loyal customers and those who are not, thereby providing guidance to researchers and practitioners concerning the relational factors and organisational processes that facilitate customer satisfaction and customer loyalty.

Based on the data furnished by bank customers in Malaysia, and the subsequent analysis of the data, some important findings were made. The results from the factor analyses show that a parsimonious set of dimensions can be developed to discriminate between levels of customer satisfaction and customer loyalty. The stepwise discriminant analysis selected six key dimensions (commitment competence, communication, conflict handling, trust and relationship quality) as the parsimonious set with good discriminating power to distinguish between levels of customer satisfaction. Seven dimensions including the five RM underpinnings (trust, communication, commitment, competence, conflict handling), relationship quality and customer satisfaction discriminate between loyal and otherwise customers. These outcomes are beneficial to researchers and practitioners in this field.

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DEVELOPMENT OF AN ELECTRONIC DATA INTERCHANGE MODEL FOR CHANNEL MANAGEMENT

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ABSTRACT

In this paper, the authors propose a new paradigm for distribution management based upon research and data collected over an eighteen month period through contributions made to an online conference sponsored by the Journal of Business and Industrial Marketing. Technological linkages between value chain partners using Electronic Data Interchange (EDI) and Automatic Data Collection (ADC) offers firms significant potential for the transformation of interorganizational relationships. Electronic data transfers offer considerable benefits and responsibilities for all participants and, with the increasing technical literacy of the customer-base, are becoming a requirement for sustaining operations rather than a competitive advantage. The growing importance and ubiquitousness of ADC and EDI in logistics and distribution is considered as well as the need for additional conceptual consideration in strategic business pedagogy.

INTRODUCTION

Electronic Data Interchange (EDI) and Automatic Data Collection (ADC) technologies are becoming increasingly prevalent in daily operations of the business environment. Using an online survey form and requests for e-mailed comments, data was collected from industry professionals regarding their viewpoints concerning twelve ADC and EDI concepts. Approximately 1,498 individuals posted comments on the conference web site regarding the concepts addressed, however, no one contributed any new concepts to those already listed. Upon review of the posted comments, six of the twelve concepts received enough support to consider as propositions. Generally, respondents felt that EDI and ADC were valuable tools that would increasingly become a necessity for potential players in the world marketplace

Based upon a relevant review of the literature and the information that was collected from the survey, six propositions concerning the use of EDI and ADC technologies in distribution management were developed. The propositions focused upon the underlying interrelationship between EDI/ADC, process and channel participation. A model was developed from the three most highly supported propositions focusing upon the political-economic paradigm and the pressures applied by both customers and competitors. With the increasing reliance upon interorganizational relationships and the influence that each of the partners holds, it is important to continue to research this area as well as further incorporate these concepts in strategic business curricula.

PROPOSITIONS

Individuals were encouraged by the author to visit the website or, coincidentally, found it while searching the MCB publication website. They were encouraged to register and e-mail comments to the posted article. The article explained that the conference was in response to the vast shift in logistics management toward utilization of electronic data interchange and automatic data collection. The described movement in industry required additional theoretical underpinnings and distillation of procedural knowledge. The article also explained that procedures for instituting EDI linkages and a new paradigm for distribution management would be developed based on results from the Internet conference sponsored by the *Journal of Business and Industrial Marketing*. The conference paper presented twelve theoretical hypotheses and procedural guidelines for improved logistical linkages. Approximately 1498 individuals posted comments on the conference web site and an unknown number of others read all or portions of the Internet conference. Although a large audience commented upon a few concepts, they did not contribute new concepts to those already listed. Generally, respondents felt that EDI and ADC were valuable tools that would increasingly become a necessity for potential players in the world marketplace Six of the hypotheses received enough support to consider as new propositions.

P1 The higher the level of uniqueness of the EDI-Inventory system for a channel of distribution, the higher the political exit costs for channel members.

P2 The more unique and individualized the EDI-Inventory system, the more power the channel leader will possess over other channel members.

P3 EDI-Inventory systems will provide consumers with more value for their purchases. The distribution system will become more efficient as EDI expands. As EDI/ADC expands, consumers will demand this level of value and service of all firms.

P4 Retailers will be inclined to join channels with manufacturers who can deliver more computerized, custom-made products efficiently, than manufacturers who cannot customize.

P5 Major retailers will encourage the development of common EDI-inventory control systems or software to accomplish the same goals so that the exit costs associated with changing suppliers will be lower.

P6 Computerization will lead to more product proliferation with an increase in custom-made products.

MANAGERIAL IMPLICATIONS AND CONCLUSION

The business and its trading partners must discuss and decide upon the overall strategic objectives and standards that the EDI system is to follow. Product related customer service and possibly, product customization, will become high priority concerns in the future. Further, the EDI standard should be consistent with the needs of all channel members and possibly the final customer as well. Data transmissions set the “format of electronic transactions, ensuring the verifiability and audit-ability of each” (Tageldin, 1994). These standards work as the engines of EDI by transforming data into a format that is understood by all computer systems in the channel, however, they “must be consistent with the needs of all interested parties” (Ali, 1994).

Once the system is running properly and efficiently, the business can expand the system. EDI conversion should start with a narrow focus to diminish political resistance and then expand as workers adjust to the new systems. Additional trading partners and transaction sets can be acquired to improve and strengthen the system (Cannon, 1993). The firm’s “high-tech communications” capability can be used as a marketing and promotional selling point. This will help the channel members realize great economies of scale and many other EDI benefits. These benefits can be used to attract other channel members and hold them in the system.

Marketing theory has been moving in the direction of increased channel cooperation, relationship marketing and a need for special alliances like the Japanese keiretsu. In Leenders and Blenkhorn's (1988) book regarding reverse marketing, they described the advantages of greater cooperation and integration of suppliers into a major system. EDI is expected to energize these new and improved channel structures and alliances thus necessitating further investigation.

It is critical that all channel members in the merchandise flow are capable of both making the connections and handling the EDI system. Thus, before application of EDI, businesses must confirm that there are "mature information technology systems at both ends of the transaction and that both systems are well equipped for transmission" (Ali, 1994, p. 17). It is imperative to ensure the integrity, reliability and operability of the existing and planned environments before the implementation of EDI. EDI will not improve ill-conceived business procedures and will not refurbish poorly designed systems. In fact, the introduction of EDI into an unstable channel environment will probably worsen the situation by accelerating the rate of information transfer. Eventually, poorly designed systems will become overburdened and fail (Ali, 1994 p. 17).

Before implementing EDI, both the initiating business and its trading partners must have a well-structured business environment with current and stable information technology systems. Implementation of ADC and EDI as part of the corporate strategy is a challenge. The business must understand the time and costs involved in implementation and the extent of impact it will have on the business functions. All corporate levels in the organization will absorb the pressure of preparing the business to implement an EDI system. Therefore, it is a major political and economic decision for all firms involved as shown by the model and will require everyone's complete cooperation and effort. The first step is to receive top level corporate support. One way to build corporate support is through third party, corporate-wide presentations to educate the company. Once the presentations have been conducted, the organization should schedule additional meetings to determine if EDI is right for them. Throughout these meetings, they should discuss issues that could become implementation obstacles and answer questions regarding application of the technology to business processes.

Next, approval should be sought for the EDI project and funding (Cannon, 1993). Once the EDI project has been approved, the next step is to establish a trading relationship with the businesses that will participate in the EDI exchange (Porter, 1990). Power retailers are politically and economically forcing these reforms on channel members. Although portions of past theory and empirical research support some aspects of this model, the relationships proposed in this model demand further empirical examination. Further, the conceptualization and proposed propositions in this model demand further anecdotal analysis relative to distribution issues.

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PERCEPTIONS OF RELATIONSHIP MARKETING ACTIVITIES BY SERVICE PERSONNEL IN THE HVAC INDUSTRY

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ABSTRACT

This paper examines the attitudes of technicians and contractors of small HVAC firms in regard to how they view relationship marketing activities. A survey was utilized to gauge their perceptions regarding relational marketing activities deemed necessary to develop long-term relationships with residential customers. In this regard, a customer process model was used to delineate relational tasks required during pre-sale, sales, and post-sale interactions. Research findings showed that certain activities were evaluated as being more important than others. Furthermore, differences were found between how service technicians and contractors viewed the relative importance of relational tasks deemed important to their industry.

The implications of the results should be especially interesting to small HVAC contractors contemplating how to remain competitive in today's marketplace. These contractors and their service technicians are trained to be product experts. Yet, it has been suggested that they extend their focus to marketing tasks to improve firm profitability via the development of long-term, mutually-beneficial customer relationships. An analysis of the perceptions of relational activities from both technician and contractor viewpoints is a first step in grasping what soft skills need to be developed through coaching, motivating and training. This study suggests that both contractors and technicians both are in need of understanding the value of being customer focused, and not just product focused.

ONE FOR ME, ONE FOR YOU: EXPLORING THE RELATIONSHIP BETWEEN SELF-GIFTS AND GIFT-GIVING BEHAVIOR

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ABSTRACT

Gift-giving is an important social and cultural fixture of our society. It is customary to acknowledge friends, family, co-workers, and others on holidays and special occasions. The giving of birthday presents alone is a major undertaking. By one count, each American buys an average of approximately six birthday presents a year! Recent research shows that individuals may also purchase something special for themselves to celebrate these same events—a self-gift.

Self-gifting has been largely overlooked in consumer behavior. What is the likelihood of gift-giving practices being combined with self-gift occasions? Generally, when engaging in gift buying for other individuals, do consumers also take that opportunity to gift themselves with a special purchase?

As individuals increasingly report incidences of time poverty, this paper theorizes that individuals will take the opportunity to incorporate self-gift giving with other gift-giving occasions. With increasing levels of personal and professional commitments, people feel like they have less time and more activities. As a result, consumers are making greater efforts to be more efficient in their shopping activities. Taking a necessary gift occasion ("I've got to purchase a birthday gift for my sister") and using it as a self-gift opportunity ("I think I'll get myself a little something while I'm out") allows consumers to reward themselves for performing a necessary chore.

Previous research has shown substantial evidence that females shop more frequently than men. However, it is possible that when placed in a situation where males are expected to shop, as in many interpersonal gift scenarios (birthday gifts, anniversaries, etc.), males may be as likely as females to engage in a self gift purchase. As a result, in addition to temporal effects, male as well as female gender effects will be of interest in this project.

A survey will be administered to students and referred friends and family members. Subjects will be asked to place self-gift experiences in one of four categories: (1) as a personal reward (2) to cheer yourself up (3) for your birthday or other personal day of significance, and (4) when you had some extra money to spend. Follow-up questions will determine whether the gift-purchase was premeditated and the level of time pressures experienced. Demographic information such as age, gender, marital status, etc. will also be collected.

This type of decision making behavior has important implications in marketing strategy in terms of promotions, sales training, and merchandise display and selection. For example, salespeople could be trained to suggest to shoppers engaged in gift buying that the item would also be very nice to purchase for themselves (i.e., Shopper: I'm looking for a sweater for my Mother. Salesperson: This is a very nice sweater. It would look great on you too…). Retailers could design displays with the idea that merchandise could be grouped to appeal to the shoppers individually as well as for gift purchases.

Until recently, researchers have looked at gifts primarily in terms of dyadic relations. However, self-gifts may also provide researchers with an interesting window from which to view consumer behavior in a personally relevant form.

MARKET ORIENTATION TOWARD VARIOUS CUSTOMER GROUPS IN BUSINESS SCHOOLS

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ABSTRACT

Marketing literature documents a number of various strategic orientations that an organization may adopt such as market orientation, production orientation, and selling orientation. The market orientation strategy is based upon the acceptance and adoption of the marketing concept. The market-oriented organization recognizes the importance of coordinating the activities of all departments, functions, and individuals in the organization to satisfy customers by delivering superior value. The market-oriented organization continually monitors customer information, competitor information, and marketplace information to design and provide superior value to its customers. Theory and empirical research suggest that higher levels of market orientation result in a greater ability of the organization to reach its objectives, in other words, higher levels of organizational performance. The literature on market orientation in higher education organizations however is just beginning to emerge. This paper extends the current research on the use of the market orientation strategy by investigating market orientation levels within college and university schools of business in the United States and comparing their levels of market orientation to levels of previously studied for profit business. Deans of business schools in the United States were surveyed by way of a national mail survey. All of the business school deans were from four year colleges or universities. The market orientation scores of these deans were compared to scores reported in the literature for business managers. Each dean was asked to provide market orientation information about two customer or stakeholder groups. One customer group was made up of business school students and the second customer group was composed of parents of business school students. Additionally, the responses were divided and studied in two separate groups, one group was public school deans and the other group was private school deans. The paper presents details of the research process, findings, and discusses the implications of the research for schools of business.

INTERNET SOFTWARE AFFLIATE PROGRAMS: A MARKETING DECISION

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ABSTRACT

The paper will discuss why a business owner should participate in an internet software affiliate program, which internet software affiliate programs to participate in and which internet software affiliate programs to not partake in. The issue is that internet software affiliate programs are different from other types of internet affiliate programs. The unique differences between internet software affiliate programs and other internet affiliate programs will be presented to show why a business owner should participate in an internet software affiliate program.

HOW MANY FACTORS? USING FACTOR ANALYSIS TO UNDERSTAND MARKETING CONSTRUCTS

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ABSTRACT

The most common uses of factor analysis in Marketing studies have been for data reduction or for score replacement. Factor analysis can also be used to understand multivariate constructs by modeling interrelationships among the measured variables, which generally requires a set of decisions and criteria in the design and execution of the analysis that is different from that required for data reduction. It may be necessary, for example, to retain factors that complete the picture of the interrelationships in the data even though they do not contribute significantly to the predictive power of a model. In this report, an empirical example is offered in which retaining more factors not only provided a more in-depth understanding of the data in a product classification study, but also shed new light on two emerging marketing constructs relating to "Stockability" and impulse buying.

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