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THE BIG FIVE PERSONALITY AND THEIR IMPACT ON CUSTOMER SERVICES IN RUSSIA, CHINA, ALBANIA, AND THE USA

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Lorenda Woodside, Bahamas Telecommunications

ABSTRACT

Competition in organizations is taking place globally in this era as the globe has been turned into a sort of village. The purpose of this paper is to show how the customer interaction is affected by the Big Five Personality Factors namely extroversion, openness to experience, agreeableness, neuroticism and conscientiousness. These correlate and impact delivery of customer services through a relationship of both personalities and influence from positions (Michael & Anders, 2000).

The customers are now educated and as such know what they want and also know about making choices on issues affecting them. These have resulted in organizations been forced to think strategically in order to come up with ways of ensuring customer services are up to international standards. This has resulted in organizations merging the customer service with the personality of applicants.

Personnel in the organization must as such be value creators as well as adders if the firm is to succeed in customer services and customer satisfaction. The ability to supply what is needed by customers is what keeps the service running profitably. As such, investments should be on customer satisfaction through provision of what they need (Michael & Anders, 2000). Knowledgeable employees who are both courteous and knowledgeable about what the customers require are a necessity in this age. Jobs should thus be matched with the personalities of the providers to ensure this is realized. Organizations strive to be the best nowadays in terms of service provision as this way, they will be able to deal with competition from the other similar industries (Nigel et al, 2007).

INTRODUCTION

Organizations today compete in a global village and jostle for the same customers. Customers are more educated, demanding and less tolerant of organizations with poor customer
services. With this in mind, organizations must differentiate themselves from their competitors, if they are to maintain their competitive advantage and retain their customers. They must utilize marketing strategies to identify their customers and distinguish themselves by offering value-added processes, which results in quality customer services. Customer Services Organizations are now horning in on an old concept with a new twist, of marrying the Five Big Personality Traits with Customer Services i.e. marry the Customer Services job with the applicant’s personality.

Equipped with these essential details, it is imperative that organizations understand the correlation of an employee’s personality with the job they intend to hold, especially those in Customer Services. Schneider and Bowen (1995) agreed that personality is a predictor of service quality and Hogan, Hogan and Busch (1984) were the first to theorize that there was a direct correlation between performance in the service role and dimensions of personality. Thus, the Five Big Personality Factors play a significant role in employee placement, especially customer services, which is the most critical element of an organization. Most organizations today strive to deliver superior customer service. Customer service, according to (Chait, Carraher & Buckley, 2000) is often used as a major factor in judging the quality of a company; therefore, the level and quality of customer service a company provides has an effect on the organization as a whole.

**RESEARCH**

The total sample size was 442 people interviewed in 4 different countries. The survey included: Russia, United States, Albania and China. There were four sub samples: one for each country.

The Russian sub sample was 92, with an average age of 27.46 years and a standard deviation of 3.644.

1. The United States sub sample was 209, with an average age of 27.73 years and a standard deviation of 5.21.
2. The Albanian sub sample was 70, with an average age of 27.69 years and a standard deviation of 4.37.
3. The Chinese sub sample was 71, with an average age of 27.66 years and a standard deviation of 3.12.

There were 249 women in the sample. The average age in the sample was 27.7 years. No significant differences were found in age, sex, personality oriented measures of customer service and behavioral measures of customer service between the four sub-samples.

The outcome of this study is primarily based on a 39 question survey that is based on the five big personality traits. McBride (1988; 1997; McBride, Mendoza and Carraher, 1997) generated the original instrument, however; a modified version was used for this study. Carraher and Associates (1998) modified the questionnaire with the agreement and recommendations of McBride et al. (1997). The survey was conducted in four different countries: Russia, United States, Albania, and China. The survey included a cross-section of 442 data points of both male and female, of an average age of about 27 years in the service industry. Because of limitation of coefficient alpha reliability estimates (Sethi and Carraher, 1993), limited information factor analysis is suggested by Schoenfeldt and Mendoza (1994) and was used before calculating alphas.

The results of the relationship between the Big Five Personality Traits, Personality Oriented Measure of Customer Service and Behavioral Measure of Customer Service are shown in Tables 1 through 10, (please see appendices). There were significant differences between the four countries: Russia, USA, Albania, and China (See Tables 2, 3, 4, and 5). Thirty-six point one percent of the
variance in personality oriented measures of customer service was accounted for China, while 30.2% of the variance was accounted for Albania, and 28.1% was for Russia, and only 23.0% of the variance was for the USA. The specific traits that are significant also varied across countries. For Russia; conscientiousness, extraversion, and agreeableness were significant predictors of higher levels of personality oriented measures of customer service. For Albania, extraversion, tolerance for stress, openness to experience, and agreeableness were the significant predictors of higher levels of personality oriented measures of customer service. For China, conscientiousness, openness to experience, and agreeableness were significant predictors. For the USA, extraversion and agreeableness were the only significant predictors of higher levels of personality oriented measures of customer service.

Tables 7 through 10 illustrate the results of the Big Five Personality Traits on Behavioral Measure of Customer Service. Russian and Chinese results are very similar. For these two countries, the Conscientious personality trait is the only predictor for Behavioral Measure of Customer service; the other four traits are insignificant. Though these two countries share the same personality trait as a predictor for behavioral of customer service, the variances in the sub samples were significantly different: 18.6% for Russia and 50.3% for China.

USA and Albania share Conscientious and Openness to Experience as predictors for Behavioral Measure of Customer service. In addition to the two aforementioned traits, USA is the only country of the four that has a third predictor with the Extraversion personality trait. Besides the commonality in the personality traits as predictors for Behavioral Measure of Customer service, Albania and USA also share similarities in the variances in the sub samples: 27.0% for the Albanian and 24.8% for the American.

CONCLUSIONS

Future research is suggested based upon prior research and theory (Buckley and associates, 1992- present; Carland and associates 1984-present).

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DETERMINANTS OF MARKETING MANAGERS' PERCEPTIONS OF UNETHICAL NEGOTIATION TACTICS: A MULTI-COUNTRY STUDY

Jamal Al-Khatib, University of St. Thomas
Mohammed Al-Habib, King Abdul Aziz University
Naeema Bogari, King Abdul Aziz University
Najah Salamah, King Abdul Aziz University

ABSTRACT

As the focus on ethical business practices intensifies worldwide and as international trade and business opportunities grow, business executives from around the world are constantly engaged in the negotiation of business deals. The negotiation process is littered with ethical dilemmas. In a tactical process, as two parties try to reach agreement, each wanting to maximize their results, the temptations to use deceptive or dishonest tactics are undeniable. It is, therefore, imperative that global executives understand the ethical mindset of their negotiation counterparts in order to develop effective relationships.

The present study examines the effects of the preferred ethical ideologies (idealism and relativism, opportunistic and Machiavellianism tendencies of marketing executives from six countries on their perceived appropriateness of unethical negotiation tactics (Making false promises; Attacking opponents' network; Misrepresentation of information and inappropriate information gathering). Results from a series of regressions analyses provided confirmations for the proposed relationships indicating that marketing managers who are more idealistic, less relativists, less opportunists and less Machiavellians perceive inappropriate negotiation tactics as unethical. Implications of these results for practitioners and future research are discussed.
THE ABC'S OF CUSTOMER SERVICE MANAGEMENT

Jeanette Alston-Watkins, Kendall
Cristina Bona, Kendall
Milton Collantes, Kendall
Samuel Lane, Lane Import
Clancy Williams, Cameron University
Shawn Clarke, Cameron University

ABSTRACT

The purpose of this research paper is to analyze the concept of Customer Service Management and determine the importance and interest in this topic. We found that Customer Service Management gives us the opportunity to improve not only our customer service skills, but most importantly our personalities. Customer service is not just a reflection of human interaction within a company; it is also a reflection of individuals as human beings. In order for Customer Service Management to be effective, people must first be trained in the basics of customer service. The primary purpose of this training would be for management staff to have a better understanding of human thinking in addition to customers' wants, needs and interests. According to Spencer-Matthews & Lawley (2006), Customer service has a strategic importance and requires companies to always maintain customer experience and satisfaction to deliver quality in a competitive marketplace. In order to gain a better understanding of Customer Service Management we must first look back at its history (Lamond, 2005). Our research demonstrates the importance of Customer Service Management in several sectors of the business organization.

INTRODUCTION/CONCLUSIONS

Future research is suggested based upon prior research and theory (Buckley and associates, 1992-present; Carland and associates 1984-present).

REFERENCES


LOCATION DECISION MAKING: THE CASE OF RETAIL SERVICE DEVELOPMENT IN A CLOSED POPULATION

Adee Athiyaman, Western Illinois University

ABSTRACT

Extant literature on site selection highlights the need for scientific research to aid location decisions. In spite of this call, most published research on site selection utilizes neither a well-developed theory of consumer behavior nor considers the influence of competitors' outlets on location decision. This research employs spatial interaction theory, customer density estimates and minimax decision criterion to address site selection issues for a new coffee shop at a university campus. The decision-support model specified in this paper should be of interest to practitioners.
BIOFUELS: WHAT IS ON PRACTITIONERS' MIND?

Adee Athiyaman, Western Illinois University

ABSTRACT

This research content-analyzed newspaper articles about biofuels to understand salient issues in the industry. Since practitioners possess greater knowledge of industry facts and experience: attributes necessary to identify industry and business-specific problems, we analyzed a sample of 535 news reports from managers in the biofuels industry. The living-systems theory was used as the conceptual model to classify news reports about biofuels. A major outcome of the research is the listing of study areas where research could help improve decision making in the biofuels system.

Keywords: Biofuels, Content Analysis, Newspaper, Living Systems Theory, Research Paradigms
BREAKEVEN AND PROFITABILITY ANALYSES USING LINEAR AND QUADRATIC PROFIT FUNCTIONS

Khalid M. Dubas, Fayetteville State University
Lewis Hershey, Fayetteville State University
Inder P. Nijhawan, Fayetteville State University
Rajiv Mehta, New Jersey Institute of Technology

ABSTRACT

Introductory textbooks in marketing and business typically present a very special case of breakeven analysis that restricts attention to situations involving a firm with no pricing power so it is faced with a horizontal demand curve, a linear total revenues curve, a linear total costs curve, and a linear profit function. However, in a more general business situation, a firm would have some pricing power implying a downward sloping demand curve, a quadratic total revenues curve, the economist's inverted S-shaped total cost curve, and a quadratic profit function. Such firms would exercise some control not only over the price of their products but also on product quality, promotion, and distribution. Although, the linear profit model offers great simplicity, its use is valid only under very special circumstances. This article evaluates breakeven and profitability analyses involving linear and quadratic profit functions under numerous market structures.
SIX SIGMA COMES TO NEW MEDIA

Phillip Frank, High Point University

ABSTRACT

The article is an empirical analysis of new media’s impact on marketing research. The author proposes the principles of Six Sigma as a method for divesting online metrics into meaningful, quantifiable levels. The paper is divided into three sections; the first looks at how technology has changed over time and how these changes have had a great impact on marketing research. The section emphasizes the transition from focus groups to online advocacy panel. The second section of the paper explains Six Sigma’s roots and postulates how its methodology can be applied to new media research. The third and final section applies the stages of DMAIC, (Define, Measure, Analyze, Improve & Control) to online data and draws comparisons to common research techniques.

INTRODUCTION

“The information age has given math a whole new life.”(Baker, 2009) The introduction of Internet technology has had an affect on every industry. For marketing research, it has brought it closer to the present tense. Previously, researchers relied on historical data to predict future behaviors. As technology has advanced, the turn around time for such research has drastically been reduced. Researchers can now get instantaneous readings on consumer behaviors with the advance on online social media and brand advocacy panels. “If research were to be invented today, we wouldn’t be doing it the way that we do. We still have a pen and paper mindset that reflects the technologies that were available 50 years ago, when even telephone penetration was low. To this day, a lot of market research is still done according to that paradigm.” (Clegg, 2008)

NEW TECHNOLOGIES

The Internet World Statistic website shows an American Internet penetration level of over 70%; meaning that over 70% of the American population has had some Internet exposure during their life-time. “The penetration percentage worldwide looks bleak in comparison at 17%, but the figure belies intense penetration in some countries and regions with sparse reach in more developing areas.” (Tuten, 2008) In addition to a high penetration rate, the US population also shows a much higher frequency of Internet use than other countries. Over half of American Internet users claim daily use and almost two-thirds of Internet users say they belong to at least one online community. “The growth in social media is the single most significant story in online media space today. Social networking sites eclipsed personal e-mail in global reach in February of 2009. (Buchwalter, 2009) “The notion of community has been at the heart of the Internet since its inception. For many years, scientists have used the Internet to share data and in essence formed interactive research
communities as a result.” (Armstrong & Hagel, 1996) In addition, as technology becomes an increasing part of our daily activities, a growing proportion of the American population is moving online in search for personal fulfillment. Many people believe that the natural propensity for social exchanges may be a pre-requisite for the growth of online social media. “In a world were individuals may have reduced physical contact and heightened time spent interacting with electronic devices, social networks have evolved to provide an online platform for personal, intimate, informal neighborhoods and office charters.” (Tuten, 2008)

Along with the public’s growing acceptance and usage of online communities, businesses are beginning to gravitate towards online marketing campaigns as well. As the marketplace becomes more inundated with foreign and domestic competition, businesses are beginning to realize the potential of online communities as a medium for developing intense and lasting consumer relationships. “By creating strong online communities, businesses will be able to build customer loyalty to a degree that today’s marketers can only dream of and in return generate strong economic returns.” (Armstrong & Hagel, 1996)

As the recession continues and businesses become even more cautious of their spending, we are beginning to see an even quicker transition to online media channels. “While cost is commonly cited as one of the key benefits of carrying out market research via an online community, companies are waking up to other advantages, such as speed of information gathering.” (Smith, 2009) In addition to being more cost efficient, online communities are proving to offer deeper consumer insights without moderator influence or group variables infecting the data.

Because online research provides fast, accurate and inexpensive data, customer satisfaction is an excellent target for this method. Furthermore, online research delivers superior results over traditional methods because it leverages the unique strengths of the Internet by: 1) eliminating group bias and dominant personalities; 2) getting unrushed and thoughtful answers from each respondent; 3) gaining instant responses from your entire sample and 4) having the ability to test, change and retest on the fly. (Rylander & Provost, 2006)

Data contaminants such as group-think are vastly limited in online research. Participants feel more comfortable in their own surroundings and are thus less likely to be influenced by more vocal group participants. Both, participants and clients, claim more control over the testing which can lead to more applicable results. Where in-person focus groups require a disciplined moderator’s interpretation of events, the online medium allows consistent metrics to be more easily gathered. Another positive result of online communities is that brands benefit from a stronger relationship with core customers. This strengthened relationship has been shown to lead to a more powerful advocacy groups that companies may use to strengthen word-of-mouth marketing. A recent study done on the subject, “found that these interactive online communities provide deeper insight into customers’ needs than traditional market research, have increased customer advocacy and loyalty, and can help avoid consumer backlash as companies develop their public media presence.” (Anonymous, 2009)

While businesses are beginning to accept the importance of their online presence, the online channel also presents a number of disadvantages. As the collective forces of their industrial prowess increase, businesses are flooding online with little if any direct purpose. This has inevitably led to both, customers and businesses being inundated with content that has little if any relevant meaning.
“The downside of a relatively uncontrolled environment, giving respondents a blank canvas, is the need to control feedback to ensure relevant information can be easily gathered and accessed.” (Smith, 2009)

NEW APPROACH

The ubiquitous nature of online research is searching for a consistent methodology to combat this disadvantage. In looking at the drastic overload of data from online communities, brand managers need a comprehensive approach to filtering this flow into a more manageable level. Motorola faced a similar situation in 1986 when looking at how to strategically analyze manufacturing processes. Bill Smith came up with a set of methodologies that broke repetitive processes into quantifiable models that would give engineers a better way to measure and improve processes. This set of methodologies became known as Six Sigma and is still used at Motorola today. “Motorola’s strict focus on the rate of improvement challenged engineering, supply management and production to be more robust to variation. The big picture of Six Sigma is about helping an organization and its people make change a core competency” (Gitlow & Levine, 2004)

While developed at Motorola, Six Sigma gained the majority of its notoriety as a new approach to Total Quality Management at a different company. GE began implementing Six Sigma under the guidance of Jack Welch in the late 1980’s to huge success. Welch’s objective was to become number one or number two in market share for every industry it had operations in. GE saw Smith’s Six Sigma methodology as a statistical model that could give consistent metrics across all of the markets that GE operated in. “Simply put, Six Sigma is one of the great management innovations of the past quarter century and an extremely powerful way to boast a company’s competitiveness. It (Six Sigma) is a quality program that when all is said and done improves your customers’ experience, lowers your costs and builds better leaders.” (Welch, 2005)

By applying Six Sigma to online communities, we begin to see a methodical way to filter the oceans of inputs brand managers must analyze. This approach also provides a consistent application that could harvest cross-applicable measures for comparisons. The key to effectively implementing Six Sigma to marketing is determining the important metrics that managers need to rely on in order to analyze online data. This illustrates one of the most beautiful aspects of Six Sigma. While the calculations and measures are rigid and well defined, their application is malleable. Six Sigma offers consistent calculations for braking down processes into their fundamental inputs and outputs but how and which measures are used is up to the firms. One of cornerstones for Six Sigma is putting the, “Voice of Consumer”, or VOC, into every business decision. “Six Sigma focuses on the expectation of your customers: that’s what matters most. By using Six Sigma management tools, a company can target the vital few factors in its processes that allow variations or defects that keep it from meeting the critical expectations of your customers….In Six Sigma, this is called gathering the voice of the customer.” (Brue & Howes, 2006)

By hearing the voice of the customer and then working in partnership with the customer to develop strategic growth plans, a company will not only understand where its customers are heading and why, but also will create a relationship of trust. (Ruff, 2000)
I will now consider how the basic principles of Six Sigma can be applied to online communities. I will postulate how this approach can benefit corporations and consumers. I will note the five step process that leads teams through the Six Sigma method and propose how it may be adapted to meet the new needs of online media. “Technology, especially online market research should be harnessed to provide customer feedback to the front-line employees fast and accurately. Fast-changing technology can be friend or foe. Six Sigma, in its basic form, is a way of diagnosing areas of improvement, leveraging information and making improvements.” (Rylander & Provost, 2006)

**DMAIC**

The fundamental steps to Six Sigma are noted as, “DMAIC” for, Define, Measure, Analyze, Improve and Control. I will propose how these steps can be used to give businesses a consistent manner to analyze online data. “The most important aspect of the Six Sigma management theory is the ability to measure success and failure. The VOC (the voice of the consumer) and CTQ (critical to quality requirements) jump into the forefront of the theory. If a company can use these principles to improve customer service swiftly, they have created their own competitive advantage. By combining a market research collection method with a management philosophy such as Six Sigma, a company can maximize its profits and radically improve ROI by returning to square one—the customer.” (Rylander & Provost, 2006)

The Define stage, “must determine the objectives and the scope of the project, collect data on the customers and specify the end deliverables.”(Brue & Howes, 2006) In the Define stage, all parameters of the study and its objectives need to be addressed. For online communities, teams will need to decide whether it will be a gated community, where only a select group will be allowed to participate, or will it be open and allow anyone to join. “Whether these are closed or open, consumers should be seen less as passive respondents and more as active equals in the research and innovation process.”(Needham, 2009)

Six Sigma denotes that before the team can begin the project, a charter should be designed. This forces the team to systematically consider the myriad of questions needed to address the overall objective of the assignment. “Mapping a process allows a team to examine how all of the steps work together and visualize the flow and sequence.” (Brue & Howes, 2006)

By clearly laying out what the firm hopes to gain from the beginning, a business is forced to consider whether this approach is the best method or if alternative methods might be preferred. “Of course online websites like IPod communities do not exhaust all of these brand possibilities. Other means, like brand stores or off-line events, are much more focused on people’s real experiences and therefore serve to reinforce community-oriented management.” (Cova & Pace, 2006)

“Who are the customers? That question is a vital first step in the Six Sigma process.” In the McGraw-Hill 36-Hour Course for Six Sigma, Brue and Howes detail that there are two basic ways to gather the VOC, “Reactively” or “Actively.” Reactively looks at historical data such as customer complaints or warrant claims while actively is directly engaging consumers with probing questions to determine actual responses to business decisions.
The Internet allows for the active approach to be streamlined, in that managers can get relatively instantaneous feedback from consumers about their questions with the use of online brand communities. This, “proximity of the authentic consumer’s voice” allows brands to create more lasting connections with their audience as well as gain more meaningful insights.

Businesses must also address what are the Critical to Quality Requirements? The CTQ Requirements are a term used to identify, “any characteristic of a product or service that customers consider critical to the overall quality.” (Brue & Howes, 2006) The next step of the Define phase is to translate the VOC into CTQ’s. What are key aspects to your customers? What are their CTQ criteria? Once you determine the essential expectations, figure out ways to measure how well your product or service is meeting those expectations.

The second step in the Six Sigma process is to determine the measures that will be used to interpret whether the CTQ’s are being fulfilled. Here, teams break the CTQ into their potential causes and lay out what additional measures need to be gathered during the Analysis phase. One benefit that online communities allow businesses is to have a more open dialogue with customers; allowing for more direct probes into the actual causes of the CTQ. “By using instantaneous research, companies can create scorecards that can help identify problems before they become worse.” (Rylander & Provost, 2006)

The remaining stages of Six Sigma speak directly to the diagnosis and resolution of change in processes, once variations are determined. The Analysis stage addresses how businesses must be able to effectively analyze key online data, “special” causes of variation. Six Sigma notes that there are two different causes for variations in processes, “common” which are normal deviations from procedures and, “special” which are unique reasons for irregular processes to occur. Special causes are the ‘nuggets’ of data that Six Sigma attempts to isolate and limit. “The goal is to systematically generate actionable information that will enhance the ability to swiftly attend to customer satisfaction issues by making managers responsible for bringing consumer contact back into the realm of customer relationship management.” (Rylander & Provost, 2006)

Online communities expedite the Improve and Control stages with more open communication. This allows for a quicker turn-around once variations are location. By maintaining open dialogue with consumers, businesses will be able to suggest solutions and get customer feedback immediately. “Whether the community’s subject is fashion, sports, music or film the rules of engagement are the same. The more you speak with your customers the more you can engage with them for mutually beneficial results.” (Obremski, 2009)

“Six Sigma is a methodology that attempts to create harmony between technology, people and business strategy while at the same time, optimizing each of these components with the total organization in mind.” (Stamatis, 2004) Technology is bridging the gaps between brands and consumer desires. By combining the technologies in online communities with the philosophies of Six Sigma, a business can decipher online chatter and direct a proactive conversation with consumers. “In today’s rapidly changing environment, technology can be wrongly used to distance a company from its customers. Through timely information gathering and management, and a focus on Six Sigma quality, companies can get the right data when they need it to make critical decisions.” (Rylander & Provost, 2006)
REFERENCES


CONSUMER UTILIZATION OF AN ADVERTISING STIMULUS: THE EFFECT OF PEEL 'N TASTE® MARKETING SYSTEM ON CUSTOMER ATTITUDES, PRODUCT FEELINGS AND LIKELIHOOD OF PURCHASE

R. Nicholas Gerlich, West Texas A&M University
Leigh Browning, West Texas A&M University
Lori Westermann, West Texas A&M University

ABSTRACT

Product sampling is often used by marketers to induce product trial, with the hopes this will lead to purchase and product adoption. Sampling of tangible products, though, is an expensive and time-consuming endeavor. Scratch-and-Sniff ads were first used in the 1990s as a surrogate means of product sampling, followed by Peel 'n Taste® Marketing System ads in 2007.

This study utilized a sample of female consumers (the targeted recipients of the ads) to allow them to interact with advertising samples using Peel 'n Taste® Marketing System, and measuring various resulting attitudes. Results showed that ratings of flavor pleasantness and the Peel-and-Taste method itself were positive significant predictors of Feelings Toward the Product (FTP), and that FTP and the participant's resulting mood state were positive significant predictors of Likelihood To Purchase (LTP) the product. But an analysis of those who actually tried the Peel 'n Taste® Marketing System samples versus those who opted to not sample them revealed significant differences in both FTP and LTP, as well as evaluative measures of the product, brand and advertising method. It was concluded that, just as with tangible product sampling, if consumers did not use the flavor strip, then product sales are less likely to occur.

INTRODUCTION

Scratch-and-sniff advertisements appeared in large number in the 1990s, relying on printing technology that made it possible for consumers to interact with a product and a salient attribute in an inexpensive (for the marketer) and non-threatening (for the consumer) manner. In so doing, marketers utilizing this method were effectively seeking to create a surrogate means of product trial. The literature supports the conclusion that a favorable evaluation of scent can result in a transfer to the evaluation of a particular product. Recently, Peel 'n Taste® Marketing System advertisements appeared in the media and in mailboxes, utilizing dissolvable flavor strips that purport to allow consumers to sample a product without ever physically interacting with it. The purpose of this study is to evaluate the effectiveness of these flavor strips in influencing consumer feelings toward the product as well as likelihood to purchase the product.
METHODOLOGY AND MEASURES

A volunteer sample of adult female university students, faculty, and staff was recruited at a medium-sized regional state university. There were 151 usable responses collected over a two-week period. Authentic advertising samples including a two-page magazine ad for a grape juice drink, a card stock blow-in newspaper insert for an apple juice beverage, and a direct mail piece for a flavored vodka drink were provided by the corporate developer of the advertising medium. Thus, each participant was provided with three examples of peel-and-taste advertisements.

In all three cases the products were national brands with widespread distribution. The advertising pieces each contained a dissolvable flavor strip sealed in a foil pouch. It is intended for consumers to peel open the pouch and place the strip on their tongue. An artificially-rendered flavor transference then occurs. This artificial flavor is assumed to be a surrogate for actual product trial.

Various attitudes were measured, including their attitude toward the advertisement, the brand, and the peel-and-taste method. These were measured with separate batteries of summed scores on semantic differential scales. A(ad) was measured with six 7-point items that covered the totality of the advertising piece on which they were told to focus: interesting/not interesting, good/bad, likable/not likable, not irritating/irritating, pleasant/unpleasant, and enjoyable/not enjoyable. Scores could range from 6 to 42, with low scores being most positive and high scores being most negative (Madden, et al. 1988, Ellen and Bone 1998).

A(brand) was measured by asking participants to evaluate the brand on which they were asked to focus, using four 7-point items (Ajzen and Fishbein 1980, Ellen and Bone 1998), including good/bad, wise/foolish, favorable/unfavorable, and beneficial/harmful). Scores could range from 4 to 28, along the same anchors used above.

A(peel) was measured by asking participants to consider the peel-and-taste method itself, using the identical set of semantic differential items used to measure A(brand). Given the newness of the Peel 'n Taste® Marketing System method, it was deemed important to include a separate measure for its impact on consumers. Scores once again could vary between 4 and 28.

A fifth variable, mood, was gathered via six 9-point semantic differential scales (Mehrabian and Russell 1974). Participants were asked to report their mood state after having experienced the advertisement. Mood thus captures the participant's general frame of mind following exposure to the advertisement. The presence of odors has been associated with mood states (Ehrlichman and Bastone 1992; Parasuraman 1984; Torri et al. 1988), and has been shown to affect judgments of stimuli (Isen and Shalker 1982; Petty et al. 1993). It is thus plausible that a favorable flavor could likewise affect judgments of a marketing stimulus.

Participants were then asked to rate on 5-point Likert scales the impact the peel-and-taste flavor strip had on their overall feelings about this product, and then the effect the test strip had on their likelihood to purchase the product. These two dependent variables serve as indicators of the effect of the peel-and-taste method, and can serve as predictors of ultimate purchase. Furthermore, favorable results would indicate that marketers may be able to sidestep the time and expense of promoting consumer product trial by instead using advertisements employing peel-and-taste methods.
DISCUSSION AND CONCLUSIONS

The introduction of the Peel 'n Taste® Marketing System method signals a new direction for product advertising in general, and product trial in particular. The collective results of this study indicate that Feelings Toward the Product are only modestly favorable, and that Likelihood to Purchase is indecisive at best. But in dissecting the data to compare those who did and did not use the flavor strip, significant differences were uncovered. In fact, those who used the strip reported very favorable FTP scores and favorable LTP scores.

As with tangible product samples, the goal is to convert would-be customers after they have actually sampled the product. But if these consumers will not sample the product, or place the flavor strip in their mouth, then the marketing effort is far from successful. The data indicate clearly that failure to use the flavor strip resulted in far lower evaluations of every aspect of the brand, the product itself, and the advertising. Tasting is believing; thus, the marketer must overcome resistance to the flavor strip in order to increase the likelihood of purchase as well as feelings toward the product.

Informal discussion with non-using participants revealed fears of putting anything into their mouth that came from packaging with which they were not familiar. For example, the three ads all used mass communication media; in the post-911 era, there are lingering fears of safety. Marketers must determine how to overcome these fears.

Another problem frequently reported was a general confusion over how to use the flavor strip. Some respondents could not figure out how to open the foil pouch; others thought the whole package was to be put in their mouth. Marketers who use the Peel 'n Taste® Marketing System method will thus have to take extra steps to ensure that consumers know how to interact with the medium itself, or risk wasting some of their advertising dollars.

While there is abundant research in the field of scents and their effect on consumer attitudes toward advertisements and brands, there is a paucity of research in the emerging medium of flavor strips. The results of this study may not be generalizable across all consumable products or product types. Furthermore, given the study's focus on female consumers, it is possible that male consumers may respond differently across the board.

Another concern is that an out-of-context taste may not substitute for the real thing. In other words, is a flavor strip a viable surrogate for product trial? Furthermore, can a flavor strip sufficiently convey the product's true flavor? Finally, in the process of eating, there are four dimensions: sight, smell, texture, and taste. The Peel 'n Taste® Marketing System strip is trying to sidestep the first three steps, and using a surrogate for the latter. While scratch-and-sniff advertisements address only one sensory aspect, Peel 'n Taste® Marketing System is more multidimensional in scope. Although over 80% of participants did use the flavor strip, the generally favorable data recorded might be limited by this consideration.

While the collective findings suggest that the Peel 'n Taste® Marketing System method may not produce favorable results for advertisers, its use as a surrogate method of product trial must be studied under more diverse scenarios and product categories. If 15-20% of consumers will not even use the strip because of fears or confusion, then communications must be improved. As for the remainder who did use the flavor strips, marketers need to be cognizant of the fact that taste alone on a dissolvable strip is not a perfect substitute for actual product sampling.
The success of the Peel 'n Taste® Marketing System method, thus, hinges in large part on whether consumers actually use the flavor strip. The data are convincing that usage results in more favorable evaluations on all counts, and that the flavor strips are a viable alternative to traditional product sampling. But with a sizeable portion of the sample not using the strips, the real battle may be in gaining acceptance of the advertising medium itself.

### TABLE 1: Group Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Group</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev.</th>
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<tbody>
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<td>2.2358</td>
<td>1.09456</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>27</td>
<td>3.4074</td>
<td>1.15223</td>
</tr>
<tr>
<td>LTP</td>
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<td>124</td>
<td>2.7500</td>
<td>1.32901</td>
</tr>
<tr>
<td></td>
<td>2</td>
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<td>3.7778</td>
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<tr>
<td>A(ad)</td>
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<td>124</td>
<td>12.9113</td>
<td>6.44427</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>27</td>
<td>16.1481</td>
<td>8.82176</td>
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<td>A(brand)</td>
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<td>124</td>
<td>8.5323</td>
<td>4.55041</td>
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<tr>
<td></td>
<td>2</td>
<td>27</td>
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<tr>
<td>A(peel)</td>
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<td></td>
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<td>27</td>
<td>17.1111</td>
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<td>Mood</td>
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<td>6.33191</td>
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<tr>
<td></td>
<td>2</td>
<td>27</td>
<td>14.2963</td>
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(*) one missing data point caused this discrepancy

### TABLE 2: T-tests for Independent Means

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<tr>
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<td>149</td>
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</tr>
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</table>

### REFERENCES


THE IMPACT OF BRAND TRANSGRESSIONS ON RELATIONSHIP STRENGTH: MODERATING ROLES OF BRAND PERSONALITY AND CONSUMER LOSS TYPE

Heejung Lee, Seoul National University
Myung Soo Kang, Hansung University

ABSTRACT

It is very difficult for companies to avoid transgressions in their business activities. These transgressions affect consumer-brand relationship strength negatively. Transgression effects may be influenced by consumer loss type and brand personality. Consumer loss type may be categorized as either economic or social.

We study sincere and exciting brands in brand personality. The exciting brand-consumer relationship strength is weaker than the sincere brand-consumer relationship strength in the economic loss situation. However, in the social loss situation, the sincere brand-consumer relationship strength is weaker than the exciting brand-consumer relationship strength.

Companies make efforts to recover the negative effects of a transgression. An economic recovery action is effective for an economic loss type of transgression while a social recovery action is appropriate for a social loss type of transgression. In the recovery situation, consumer-brand relationship strength is influenced by brand personality. If transgression and recovery types are matched, sincere brand-consumer relationship strength will be improved significantly. However, in an exciting brand case, relationship strength is not affected by agreement with a transgression type and recovery type.

INTRODUCTION

Many companies make efforts to distribute resources to build long-term relationships with their customers (Johnson and Selnes, 2004). As company-customer relationships grow stronger, customers' repurchase and WOM (word-of-mouth) intentions grow higher (Maxham and Netemeyer, 2002). Nevertheless, transgressions by companies or brands happen inevitably. These may impact on the customer-company or brand relationship negatively, causing customers to feel ill will toward or avoid that company or brand (Gregoire, Tripp and Legoux, 2009).

Aaker, Fournier and Brasel(2004) investigated different transgression effects according to sincere or exciting brand personality. Transgression impacts the customer-brand relationship badly in a sincere brand situation. On the other hand, transgression does not impact on that relationship in an exciting brand situation. These effects can be changed by transgression loss type (Aggarwal, 2004) or type of recovery efforts (Smith, Bolton and Wagner,1999).
Therefore, we will investigate the effect of transgression on customer-brand relationship strength by brand personality and customer loss and by recovery effort type in this research. This study may help brand managers seek strategic ways for coping with inevitable transgressions.

**THEORETICAL BACKGROUND AND PROPOSITION**

**Brand Personality Dimensions**

Aaker (1997) and Keller (1993) defined brand personality as "the set of human characteristics associated with a brand." Five-dimensions of brand personality were developed by Aaker (1997) who used scales composed of 309 traits explaining brand personality. The five-dimensions are consisted of 'sincerity', 'excitement', 'competence', 'sophistication', and 'ruggedness'. In the marketing field, two brand personalities are paid the most attention to due to their prominence. These are the 'sincerity' and 'excitement' brands (Aaker et al., 2004). These two personalities are essential in that they consist of customer-brand relationship (Fletcher et al., 1999) and also take the majority share of variance in personality (Aaker, 1997; Caprara, Barbaranelli and Guido, 2001).

**The Occurrence of a Transgression**

One of the factors that influence customer-brand relationship is a transgression, which refers to "a violation of the implicit or explicit rules managing relationship performance and evaluation (Metts, 1994)." Rusbult et al. (1991) argued that the way people deal with negative risk to a relationship impacts on relationship strength more than positive relationship accidents do. Transgressions provide chances for learning about the qualities of the customer-brand relationship performance which helps following development ways (Altman and Taylor, 1973). The most typical held view is that transgressions are inherently devastating as they bring on a series of negative inferences that threaten the relationship quality (Buysse et al., 2000). On the other hand, some researchers have suggested that the impact of a transgression is not important to the customer-brand relationship. Wiseman (1986) insisted that relationship-serving biases reduce the negative effects of transgressions in strong association and past positive cases remove them in long-term relationships (Wiseman, 1986). Considering prior studies overall, all kinds of transgressions do not affect the customer-brand relationship negatively.

Customers are generally more disappointed with exciting brands compared to sincere brands; however, they tend to judge sincere brands more rigorously than exciting ones when transgressions occur (Aaker et al., 2004). In social psychology literature, relationships are distinguished based on economic and social factors (Clark and Mills, 1993). Aggarwal (2004) investigated that customers in a relationship of monetary exchange expect immediate repayment for providing help or giving advantages to a partner. In contrast, customers in a relationship of communal (non-monetary) exchange do not hope to receive immediate or equal benefit and prefer when non-comparable benefits are given. Rousseau et al. (1998) postulated two prominent trust forms: calculative and emotional trust. Calculative trust is grounded on the weighting of particular gains and damages for monetary relationships, while emotional trust is based on sympathy and attachment for communal...
relationships. Based on these theories and researches, we postulate there are economic (time, money, etc.) and social (immoral activity, etc.) losses in transgression types. Thus we propose these propositions.

P1: Transgressions have a negative impact on customer-brand relationship strength.

P1-1: The negative impact of economic transgressions on customer-brand relationship strength is stronger in exciting brands than in sincere brands.

P1-2: The negative impact of communal transgressions on customer-brand relationship strength is stronger in sincere brands than in exciting brands.

Recovery Action Types

Recovery actions take place in organizations in response to a transgression (Gronroos, 1988). When a transgression occurs, companies do their best to recover damages which customers have suffered (Smith et al., 1999). There are social exchange and equity theories based on the damage recovery strategy effect (Homans, 1961; Walster, Berscheid, and Walster, 1973; Walster, Walster, and Berscheid, 1978). Transgression and recovery encounters can be seen as exchange processes and divided with utilitarian and symbolic dimensions. The utilitarian exchange means economic assets like money, products or time, while the symbolic exchange includes psychological, social assets like authority, respect or empathy (Bagozzi, 1975). According to the transgression type and proper recovery efforts can be changed (Smith et al., 1999).

Recovery effort attributes are consisted of monetary compensation, apology, and response speed (Hart, Heskett, and Sasser, 1990). Among these attributes, monetary compensation is relevant to utilitarian recovery actions, while apology is relevant to social recovery actions. Social exchange theory says that the role of monetary compensation has as its purpose to recover customers' economic losses (Adams, 1965; Deutsch, 1975, 1985). Walster et al. (1973) explained that monetary compensation is a strategy for recovering the balance in exchange relationships. In social exchange and equity theories, an apology can be a recovery action to rebuild esteem. Based on resource exchange theory, mental accounting principles, and prospect theory, transgression types and recovery types influence customer satisfaction or loyalty. When transgression types and recovery efforts types are matched, customer satisfaction will increase (Brinberg and Castell, 1982; Brinberg and Wood, 1983; Foa et al., 1993). If a transgression causes economic losses to customers, they prefer economic recovery efforts. On the other hand, if a transgression causes social asset losses for customers, they prefer social recovery efforts. According to these researches, we make a proposition regarding the relationship between the recovery resource type and the customer-brand relationship.

P2: When a company makes efforts to recover the negative effects of a transgression, the customer-brand relationship strength increases.

In a sincere brand, the agreement of loss and recovery effort type is important to rebuild customer-brand relationship strength because customers highly expect sincere brands to perform
trustworthy actions. However, customers have lower expectations of exciting brand activities. Thus we postulate the following propositions.

P2-1: If a transgression loss type and a recovery effort type are matched, the recovery of the customer-brand relationship is stronger in a sincere brand than in an exciting brand.

P2-2: If a transgression loss type and a recovery effort type are not matched, the recovery of the customer-brand relationship is stronger in an exciting brand than in a sincere brand.

DISCUSSION AND CONCLUSION

In dynamic marketing circumstances, it is not possible for a company that carries out many strategies to avoid transgressions. Marketers should figure out ways to overcome transgressions' effects on customer satisfaction, loyalty, and so on. In this study, we investigate how to cope with the negative effects of transgressions.

First of all, we notice that sincere brands are sensitive to the social type of transgression and that exciting brands are vulnerable to the economic type of transgression. This means that sincere brands are more careful about not committing the social type of transgression and exciting brand are more on guard about committing the economic type of transgression. Second, if a sincere or an exciting brand commits an economic transgression, marketers receive help in using economic recovery strategies. On the other hand, if an exciting brand commits a transgression, it is important to carry out recovery efforts without regard for the type of recovery effort. This is because customers trust sincere brands more than exciting brands and expect them to do the right thing. Customers regard exciting brands as fun and having the possibility of committing transgressions more easily than sincere brands. Therefore, marketers should keep in mind that brand personality is an important factor for overcoming transgression strategies.

Based on existing researches, we postulate several propositions in this study. We will perform an empirical study and verify these propositions in a future research.

REFERENCE


THE BEACH RENTAL-BY-OWNER WORLD: AN EXAMINATION OF ONE GULF COAST BEACH PROPERTY

William W. Hill, Mississippi State University

ABSTRACT

A growing segment that has emerged over the past decade is the vacation-rental-by-owner destination market. Indeed, many of today's beach house owners are using website promotion to rent their vacation properties versus the use of outside rental agencies. To better understand typical interested customers in this market, the rental inquiries for one such beach house owner were examined. Using the beach house owner's website inquiry database collected over a three-year period, unique characteristics about these vacationers relative to the property, the area, and the surrounding Gulf Coast region are identified. Key measures found to describe these interested vacationers include inquiry lead time, length of stay, size of party, vacation season, etc. The study also compares these measures based on the U.S. regional home of the interested parties. Finally, the paper addresses the effect of being pet-friendly and how this amenity changes the dynamics of the mix of inquiring vacationers.
DIVERGENT MEANING OF CONVERGENT MOBILE PHONE FROM GENERIC MOBILE PHONE

Moon Seop Kim, Seoul National University
Yong Cheol Kim, Catholic University of Korea
Jae Il Kim, Seoul National University

ABSTRACT

Mobile phones have become necessities of our life and nowadays convergent mobile phones are spreading rapidly. Companies are introducing various convergent mobile phones which are embedding diverse functions (e.g., camera, game, DMB, MP3 player, internet, etc.), because they expect these functions to fulfill consumers' diverse needs (Wind & Mohajan, 2002). However, consumers feel a feature fatigue from the excessive functions and look for simple mobile phones (Rust, Thompson & Hamilton, 2006). Or consumers are not satisfied by the functions of convergent mobile phones and instead use specialized gadgets. The reason why consumers respond like these is that companies do not fully understand the meaning that consumers have of convergent mobile phones, or is that convergent mobile phones do not fully apply these meanings.

To solve these problems, this article explores the meaning of generic mobile phone and the meaning of convergent mobile phone by analyzing consumers' experiences of generic mobile phones and convergent mobile phones. Also, this article suggests implications about how to make convergent mobile phones meet consumer needs. For these purposes we chose a phenomenological approach, which is an approach that figures out the fundamental meaning of a phenomenon by analyzing the structural side of consumers' experiences and thoughts (Creswell, 1998) and used a FGI (Focus Group Interview) and an in-depth interview.

We conducted a FGI through four focus group sessions comprised of 17 young people. Through the FGI data analysis, we became accustomed to users' terminology and perspectives on the meanings of generic mobile phone and convergent mobile phone and prepared a protocol for the in-depth interview. And then, we interviewed eight participants based on the recommendation of the phenomenological psychology (Thompson, Locander & Pollio, 1989; Thompson & Haytko, 1997). Recorded interviews were transcribed and these transcriptions were analyzed separately for generic mobile phone and convergent mobile phone. Significant statements were extracted from the transcriptions and these statements were used to formulate phenomenological meanings, which were organized into clusters of themes. After we checked validity by comparing the theme of clusters with, we compared analysis results for generic mobile phone and convergent mobile phone.

This research shows that there are three themes for generic mobile phones and four themes for convergent mobile phones and each theme has from one to three meanings. Some themes (e.g., connection, self expression) are found both for generic mobile phones and convergent mobile phones while other themes (e.g., entertainment) are more highlighted in convergent mobile phones than in generic mobile phones. Our research has also indicated that the adoption of or satisfaction
with convergent mobile phones depends on consumer's expectation (Hoffman & Bateson, 1997) and innovation resistance (Ram & Sheth, 1989).

First, common themes of generic mobile phones and convergent mobile phones are connection and self expression. The essential theme of both phones is connecting with others. As a social being, people need a healthy relationship (Baumeister & Leary, 1995) and generic mobile phones and convergent mobile phones enable people to maintain a stable relationship with important others. Especially, compared to corded telephones, mobile phones allow people to communicate without temporal or spatial limitation (Leung & Wei, 2000). However, the bright side of this ubiquitous connection accompanies a dark side. That is, people who become accustomed to ubiquitous connection start to fear for or become anxious about disconnection. Also, it has become difficult for users to disconnect from unwanted people, leading 'enslavement' (Jarvenpaa & Lang, 2005; Mick & Fournier, 1998).

Another common theme of generic mobile phones and convergent mobile phones is self expression. People establish identity through consumption and show their identity through their possessions (Belk, 1988). Based on two competing social motivations-differentiation and assimilation (Baumeister, 1982; Snyder & Fromkin, 1977), people sometimes choose unique products which enable them to differentiate themselves from others, while at other times people choose the same products with others which enable them to assimilate themselves with reference group members. In our study, people use handsets and services as a media to express their identity. Some people purchase the newest handsets, decorate their handsets, and use new functions and services to express their distinctiveness. Other people purchase mobile phones to be validated from their friends and not to be left behind. Convergent mobile phones with more functions and services provide more ways to express users' identity than generic mobile phones do. For example, people can express their identity by choosing handsets with certain functions (e.g., DMB, MP3 Player, etc.) and using certain services (e.g., mobile internet, games etc.).

Second, different theme of convergent mobile phones is entertainment. People have a fun by making phone calls or sending text messages with their generic mobile phone (Wei & Lo, 2005). However, entertainment is a more important meaning for convergent mobile phone users compared to generic mobile phone users, because convergent mobile phones provide various entertaining activities which are not accessible with generic mobile phones. Convergent mobile phones provide two kinds of entertainment: entertainment sought by oneself versus entertainment sought with others. That is, people use convergent mobile phones not only to seek pleasure by themselves but also to share pleasure with others. People use convergent mobile phones to fill their free time by listening to music, watching DMB, and playing games. Also, people use convergent mobile phones to share pleasure with others by taking pictures together and sharing the pictures (e.g., watching them together or sending MMS attaching the files to each other). This pleasure overlaps with strengthening connections and enabling relationships.

Third, there are critical differences between satisfied people and unsatisfied people. One is the expectation (Hoffman & Bateson, 1997) and the other is innovation resistance (Ram & Sheth, 1989). People with low expectation levels for convergent mobile phones tend to be more satisfied with convergent mobile phones because people evaluate services by comparing expectations with perceived performance (Hoffman & Bateson, 1997). For example, people who do not expect high resolution for the camera embedded in handsets but expect portability and responsiveness are
satisfied with convergent mobile phones. Convergent mobile phones cannot compete with specialized gadgets on functions (e.g., high resolution of picture and game graphics, audio quality of MP3 player), but convergent mobile phones can defeat specialized gadgets on portability and quick responsiveness.

People resist adoption of innovation for some barriers (Ram & Sheth, 1989). In the case of convergent mobile phones, the functional barrier (i.e., value barrier, usage barrier, and risk barrier) is prominent. As discussed in the expectation level, some people do not use the convergent functions or convergent mobile phones because performance levels of convergent mobile phones do not meet their expectations and the price of handsets are more expensive than their expectation (i.e., value barrier). Some people resist convergent mobile phones when they have to install software and learn how to use the handset (i.e., usage barrier). This usage barrier is higher compared to generic mobile phones because various functions and services of the convergent mobile phone require consumers to put more effort to learn and to use it. Other people resist convergent mobile phones because of anxiety for loss, security, privacy, and a dead battery (i.e., risk barrier). Anxiety levels for convergent mobile phones are great compared to a generic mobile phone because participants are immersed in various functions and services of convergent mobile phones and there are lots of information in convergent mobile phones (e.g., the loss of convergent mobile phone including credit card results in economic damage and the leaking of private photo results in psychological and social damage).

This research provides some managerial implications. Managers need to understand not only the meaning of convergent mobile phones but also the difference between the meaning of generic mobile phones and convergent mobile phones. It is required to highlight the additional meanings (e.g., entertainment) of convergent mobile phones, while maintaining the essential meanings (e.g., connection) of convergent mobile phones. Also, it is required to find solutions to overcome innovation resistance. Considering the fact that though consumers' preferences for convergence are diverse, there are some consensus (e.g., display size, degree of portability) (Kim, Lee & Koh 2005), optimal customization can be a solution for value barrier. And simplification and interchangeability can be a solution for usage barrier. Specifically, simplification could relieve feature fatigue (i.e., the more features of product, the less satisfaction) (Rust et al., 2006) and help to overcome the usage barrier. Also, managers need to position the convergent mobile phone based on portability and responsiveness and furthermore, evaluate the appropriateness of various functions based on portability and responsiveness dimensions and select appropriate functions for convergent mobile phones. Finally, when companies embed some functionality in mobile phones, they need to consider goal congruence between the added function and the mobile phones and the nature of the mobile phones (utilitarian vs. hedonic) (Gill, 2008). If consumers perceive mobile phones as utilitarian product (e.g., communication media for practical goals), companies need to add an incongruent and hedonic function (e.g., scheduling) versus congruent and hedonic function. Conversely, if consumers perceive mobile phones as hedonic products (e.g., communication media for fun), companies need to add a congruent and hedonic function (e.g., video communication).
SOCIAL NETWORKS HELP RETAILERS DELIVER HOLIDAY CHEER IN 2009

Michelle B. Kunz, Morehead State University
Brittany Hackworth, Morehead State University

ABSTRACT

We are becoming a nation of social media users with Facebook friends and fans, Twitter followers and tweeters, and YouTube views and subscribers. Social media marketing provides an interactive venue for retailers to quickly reach a large number of consumers with timely information. This paper examines the use of social media marketing (SMM) by top retailers during the fall of 2009. Eighteen top-rated retailers and five social media networks were identified for this study. Data were collected weekly from the first week of September 2009 through the first week of January 2010 to determine the level of participation by the retailers on each of the social media networks. The number of "subscribers" to each retailer's social media platform(s) were tracked for the eighteen weeks reviewed. In addition, events or posts by the retailers were also tracked throughout the 18 weeks of data collection. Research questions posed in the study were:

1. What top retailers used social media during the Holiday 2009 season?
2. Which of the prominent social media networks did top retailers employ during the Holiday 2009 season?
3. Which top retailers employed multiple social media networks in their Holiday 2009 marketing activities?
4. Did multi-channel retailers use multiple social media networks?
5. Did the social media network employed by top retailers differ based upon the merchandise category sold by the retailer?
6. Did top retailers increase activities or events on the social media networks as the Holiday 2009 season progresses?

Significant differences in the patterns of participations were found across retailers, and across the different social media networks.
DOES SATISFACTION MAKE CUSTOMERS REPURCHASE SAME BRAND AGAIN?

Hansuk Lee, Seoul National University
Jeonghoon Lee, Seoul National University
Myung Soo Kang, Hansung University

ABSTRACT

Customer satisfaction and brand loyalty have been treated as a marketing goal for most firms. Loyalty is a consequence of customer satisfaction. Many researches consider loyalty as multidimensional base. Despite of many researches that satisfaction has a positive impact on repurchase behavior, there are few researches which treat loyalty as actual repurchase behavior. This study investigated loyalty as actual repurchase behavior. For this study we conducted longitudinal survey for two years. Results showed that customer satisfaction is different among different loyal customer groups.

INTRODUCTION

During the past three decades, customer satisfaction has been treated as a strategic goal for most company (Mittal and Kamakura, 2001). Because customer satisfaction is a post hoc evaluation of consumption experience, it has been regarded as a fundamental determinant of long term consumer behavior (Oliver, 1980). Capraro, Broniarczyk, and Srivastava (2003) observe that "today, most firm's programs to control customer defections center heavily on the management of customer satisfaction."

Loyalty is also an important strategic objective for all marketing managers. Oliver (1999) proposes that a shift in emphasis from satisfaction to loyalty appears to be a worthwhile change in strategy for most firms. Oliver (1997) defines loyalty as "the deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior." According to Oliver (1999), consumer loyalty can occur at four different levels: cognitive, affective, conative, and behavioral. Although all four views of consumer loyalty are meaningful, the current research focuses on behavioral loyalty.

Theoretically customer satisfaction should be linked to loyalty behavior. But there are some contradictions about their relationship. For example, Lemon, White, and Winer (2002) and Rust, Lemon, and Zeithaml (2004) maintain that many nonsatisfaction elements that increase switching costs are important factors in whether satisfaction has a strong relationship to loyalty.

Despite its strategic importance, many researches on customer satisfaction and loyalty have focused on the relationship between satisfaction and repurchase intention. This is largely the result of difficulty of survey and methodology. If a research is trying to find the relationship between
satisfaction and real purchase behavior, it is required to survey at least twice for same person with longitudinal steps.

The goal of this study is to investigate whether relationship between customer satisfaction and behavioral loyalty is positive, as well as to gauge the behavioral loyalty with real purchase data. One of our research questions is to how loyalty is conceptualized and measured.

**LITERATURE REVIEW AND HYPOTHESIS**

**Customer Satisfaction**

It seems natural to focus on cumulative customer satisfaction. Cumulative customer satisfaction which is opposed to satisfaction of a specific transaction will provide a more accurate value of customer's attachment for future consumption of a product or service. There are lots of satisfaction measures. A lot of studies have attempted to identify antecedents and consequences of customer satisfaction. In this study customer satisfaction is define as an evaluation after consumption experience.

**Loyalty**

Loyalty is presumably a consequence of satisfaction (Oliver, 1999). Many researchers consider loyalty on a multidimensional basis by adding attitudinal or conative components. Often loyalty is equated with future behavioral intentions. But an intention is only a tentative measure of behavioral loyalty. And several studies have found that intention does not mean the actual repurchase. Seiders et al. (2005) use consumer allocation theory to show a significant difference between intentions and subsequent behavior.

**Measuring Loyalty**

The impact of customer satisfaction and loyalty is not the same for all industries. Fornell (1992) presents "Loyal customers are not necessarily satisfied customers, but satisfied customers tend to be loyal customers." Fornell (1992) reports an overall positive relationship.

In estimating loyalty at the individual level there are several multiple indicators. One important question pertains to how loyalty is conceptualized and measured. A lot of the researches on loyalty behavior have focused on the relationship between satisfaction and retention. This is largely the result of early research, which identified customer retention as a key driver of firm profitability (Reichheld 1993; Reichheld and Kenny 1991). Many firms allocated resources to examine how customer satisfaction affects customer retention (Bolton 1998). Researchers and marketers have become increasingly interested in consumers' share of spending as a behavioral measure of loyalty.(Keiningham, Aksoy, et al. 2005; Uncle, Dowling, and Hammond 2003). Many studies have linked customer satisfaction to purchase behavior (Anderson and Sullivan 1993; Bolton 1998; Jones and Sasser 1995; Mittal and Kamakura 2001; Newman and Werbel 1973; Sambandam and Lord 1995). Loyalty can be measured with recommendation intention. Chandrashekaran et al.
(2007) measured loyalty by asking customers whether they would recommend products or services to other customers.

Despite the claim that customer satisfaction is linked to loyalty, there are few attempts that show relationship satisfaction and actual repurchase behavior. As Newman and Werbel (1973) suggested we tried to measure loyalty as repurchase same brand twice.

H1. The more satisfied a customer tends to be, the higher is the actual loyalty of the customer.

Insert Table 1. here

DATA AND METHODOLOGY

The Data

Theoretically, cumulative customer satisfaction must have positive relationship to behavioral loyalty measure, repurchase behavior. Yet this link may be difficult to observe in a general satisfaction survey.

Given the need for further empirical study on the loyalty - firm's profit link, we conducted a large scale survey. Despite its strategic importance, empirical research linking satisfaction to repurchase behavior has been lacking, especially for durable goods. We developed and tested a model that investigates to find link about two construct with durable product, cell phone. Therefore the data used in this study came from a consumer survey of cell phone owner in Korea. A cell phone is a personal product and it shows a little short replace period less than two years and it is shorter than other electronic appliances in Korea. Therefore we can trace former purchase behavior of participants more precisely.

At the first survey, among other variables the survey measures (1) overall satisfaction with using cell phone (2) repurchase intentions (3) former owned cell phone brand (4) some demographic information (5) how much paid for the cell phone.

Customers, who have owned a cell phone, are telephoned a survey after one year later. In the second survey, we asked (1) whether they change their cell phone (2) repurchase cell phone brand (3) how much paid for the new cell phone.

The survey is designed to measure satisfaction well into the ownership cycle (cell phone is most fast changing durable product in Korea), thus providing managers insight for new customers and maintain a dialogue with them.

At first survey the total sample was 1800. And after second survey, which done one year later, the people who rebuy a cell phone sample was 253. So we use 253 samples for analysis.

Methodology

We developed a model that captures the relationship between customer satisfaction, repurchase behavior, and consumer characteristics. Two courses of survey have been tested for developing the model. Customer satisfaction was measured on a seven-point scale (7 = "very satisfied," (4= "neither satisfied nor dissatisfied,") and 1 = "very dissatisfied") to answer the
question, "Based on your ownership experience, how would you rate your satisfaction with this product?" loyalty measured entirely by purchase behavior. Newman and Werbel (1973) suggested that purchase of the same brand twice in succession typically has been used as evidence of loyalty for durable goods.

RESULT

In order to examine the proposed hypothesis, statistical analyses including analysis of variance (ANOVA) and Chi-square test were conducted. We performed ANOVAs for the continuous measures and Chi-square test for the dichotomous measure. H1 examined.

As shown in Tables 2, customer satisfaction measure was significantly different among the groups. Therefore, H1 was strongly supported.

Insert Table 2 here

There are some chi-square tests for each group. But there is no difference of demographic variables between groups.

DISCUSSION

This article examined the relationship between customer satisfaction and behavioral loyalty. The study finds a positive relationship. The more satisfied a customer tends to be, the higher is the actual loyalty of the customer.

From the perspective of the firm, the findings imply that marketing managers should maintain customer satisfaction. It is strongly related with actual repurchase behavior.

There are several potential issues for future research beyond the scope of current paper. Limitation of this study is that only brand-level data were available for analysis. Because a consumer may have held the same brand but switched to a different model.

REFERENCE


WHEN ARE PEOPLE MORE SATISFIED WITH THEIR CONSUMPTION?: SPENDING TIME VS SPENDING MONEY AS CURRENCY

Lee Yoonjae, Seoul National University
Song Sangyeon, Seoul National University
Kim Byungjae, Sangmyung University

ABSTRACT

Both time and money can be considered as resources, but many studies have shown that they have different characteristics and impacts on consumer behavior. In this study, the authors have focused on the difference between spending time and spending money as currency. We suggest that expenditure of time activates eudemonic orientation; expenditure of money activates hedonistic orientation. People who spent their time as currency will pursue the meaning of exchange, while people who spent their money as currency will pursue the pleasure of exchange by distinct activated orientation.

In this way, people in evaluation of their purchase of hedonic products that evoke positive emotion(pleasure) tend to report higher overall satisfaction for the target product when they spent money rather than time. Moreover personal involvement for the target product will make people seek positive meaning, hence they are more satisfied when they have spent time rather than money.

INTRODUCTION

Time and money are fundamental resources for human life. These two resources are closely related but have different impact on consumer behavior(Liu & Aaker, 2008). Existing studies show the different values and effects of these two resources(Zauberman & Lynch, 2005; Okada & Hoch, 2004; Liu & Aaker, 2007; Carstensen et al., 1999; Williams & Drolet, 2005; Trope & Liberman, 2003; Vohs et al., 2006; Soman, 2001; Hoch & Ha, 1986; Hsee, 1995, 1996; Frieman & Neumann, 1980; Hoskin, 1980).

Some studies focused on the value of time and money. Time is more ambiguous in value, compared to money (Okada & Hoch, 2004; Zauberman & Lynch, 2005). Hence, people tend to be more lenient in their time(Zauberman & Lynch 2005), and people can easily justify their consumption of time. Furthermore, some studies focused on the mind-sets that can be evoked by either time or money. Time activates emotional mind-set which involves experiences and also makes people pursue emotional meaning. Money activates value maximization mind-set which drive people to pursue economic utility(Liu & Aaker, 2008; Cartensen et al., 1999 ; Van Boven & Loewenstein, 2003; Vohs et al., 2006).

The authors suggest that time and money as currency has distinct influence to human orientation. Time necessarily involves experience, so if one is asked to pay time for donation, then
one will cherish the emotional meaning (Liu & Aaker, 2008). If one can use time as currency, then people imagine the experience, and the effort they would devote. Therefore, we would like to contend that time as currency is represented as effort. A person’s effort makes one pursue eudemonic values, the ‘pursuit of meaning’. Meanwhile, if one use money as currency, one will see the currency as a medium of exchange, and the representation of money will be budget, or ability. In this case, people will pursue hedonic values, the ‘pursuit of pleasure’ rather than pursuing meaning of the exchange.

According to these distinctive activated orientations, people will evaluate their exchange differently by what they use as currency. For hedonic product, people try to find positive emotion by the consumption. Thus people who spend money as currency will be satisfied more on the consumption than people who spend time as currency. On the contrary, people who have high involvement on target product will be satisfied more when they spent their time in comparison to money. Since high involvement implies higher self-relevance, and self-importance, people try to find meaning when they consume high-involvement product.

**AMBIGUITY OF TIME RESOURCE**

Researches on value of time and money suggest that time has more ambiguous value than money. People tend to be more slack in time (Zauberman & Lynch, 2005). Okada & Hoch (2004) investigated the difference between time spending and money spending. They argue that people prefer spending time to spending money for riskier events, while people prefer spending money on lower risk events. In the same manner, when it comes to spending time people choose more risk-prone alternative, while for spending money people show risk-aversive behavior. Such phenomenon results from ambiguity of time value. To the contrary, when people use time as currency, it is easier to accommodate and to rationalize consumption.

Okada (2005) suggested that people use more time (vs. money) on hedonic products, and pay more money (vs. time) on utilitarian products. This is because opportunity cost of money is obvious, and that opportunity cost of time is vague. People can easily justify spending time because the value of time is flexible, so people can pay more time to hedonic products. Such behavior is called elastic justification, which implies that people tend to be more opportunistic on consumption of the time (Hsee, 1996). Money has its own liquid market and can also be saved. On the other hand, time does not have a readily exchangeable market and cannot be inventoried (Okada & Hoch, 2004). In this sense, opportunity cost of time is ambiguous because it is hard to estimate other best use for time spending. So time is more ambiguous as currency, in that there can exist many interpretations for spending time.

**TIME AND MIND-SETS**

Liu & Aaker (2008) demonstrated ‘time-ask effect.’ They asked individuals for donation of either time or money and individuals increased their donation when they were asked for donation of time first. This is because asking for time activates different mind-set from when asking for money. When people had been asked for donation of time first, their emotional meaning mind-set
was activated; while people had been asked for donation of money first, their value maximization mindset was activated.

Individuals’ representation of time is more closely related to emotional meaning (Liu & Aaker 2008, Cartensen et al., 1999), whereas representation of money is more closely related to its economic utility (Vohs et al., 2006). Thinking of time evokes people experience associated with specific emotions and feelings (Schwarz & Clore, 1996). People can drag out their emotions and feelings and activate it. Accordingly, people are motivated towards positive emotion (Pham, 1998) and people are salient with emotional meaning as well. Thus, people try to pursue emotionally meaningful alternatives when they were primed by time (Liu & Aaker, 2008).

MENTAL ORIENTATION OF TIME AND MONEY SPENDING

In this part of study, we suggest that people have distinct mental orientation for time currency and money currency. When people use time or money as currency, such consumption would have different impacts on consumer behavior, especially on overall satisfaction for the acquired products.

Various researches on happiness have dealt with orientation to happiness. One is hedonism. People achieve happiness by maximizing their pleasure and minimizing their pain, so consequently people pursue pleasure. The other is eudemonia. People achieve happiness by being true to their inner selves, therefore people pursue meaning of life to such end (King & Napa, 1998; Peterson et al., 2005).

The mental orientation of time currency will is ‘eudemonia’. This is because when people think about exchange of their time for a product, they become engaged to their experience which would be devoted to the transaction. This involves personal exertion, hard work, and others. On such accounts individuals shall be eudemonic-oriented, and also seek the meaning of the transaction.

The mental orientation of money currency is ‘hedonism’. Money has its own absolute value, thus people will not attach emotional values in money currency. Many researches on money suggested that money evokes rational cognitive function (Pham, 2007), and state of cold empathy (Van Boven & Loewenstein, 2003). However, from the currency perspective, money is a power to buy some product that individual wants. Therefore, money spending individuals will seek more positive emotions like pleasure involved with the transaction than time spending individuals.

Consequently, people who pay time for a hedonic product would be less satisfied. This is because time currency is oriented towards eudemonia and also that people try to find positive meaning for the transaction rather than pleasure. Moreover, people who spend time for personal high-involvement product would be more satisfied than people who spend money, largely due to the fact that high-involvement infers higher self-relevance and higher self-meaning, also higher-self importance is closely related to positive meaning.
PILOT STUDY 1: HEDONIC VS UTILITARIAN PRODUCT

Figure 1

We assume that people who spend money currency on hedonic product will be more satisfied than those who spend time. The participants were 24 undergraduate students in Seoul, Korea.

There were two kinds of currency: time and money. And we used 2*2 between subject design(Product: Hedonic vs Utilitarian, Currency: Time vs Money). Hedonic product here was stylish shirts and utilitarian product for the study was training pants. Manipulation check confirmed the soundness of the study. The result was [figure 1].

Although the resulting interaction effect were not significant(p=.142), however the sample size were very small in the case(Hedonic/Money: 13 samples, Hedonic/Time: 11 samples), and thus with expanded sample set we could expect significant interaction effect. To conclude, people who spent money on hedonic products were more satisfied than who spent time(p<.05).

PILOT STUDY 2: HIGH VS LOW INVOLVEMENT

Our assumption here was that people who have higher involvement will get higher satisfaction when they spend time currency rather than money currency. The participant were same as pilot study2 and we employed 2*2 between subject design(Involvement: High vs Low, Currency: Time vs Money). We presented a cell-phone to the participants, and participants’ involvement for the target product was measured. The participants were categorized in two groups by median-spilt. The result was [figure 2].
Our expected interaction effect was significant in the case ($p<.001$). People who spent time were more satisfied with the transaction when in high involvement compared to those who spent money (marginally significant, $p=.053$). The outcome suggests that mental orientation of time spending could be the eudemonic which drives people to find meanings.

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SOCIAL MARKETING AND DISTRACTED DRIVING BEHAVIORS AMONG YOUNG ADULTS: THE EFFECTIVENESS OF FEAR APPEALS

Ron Lennon, University of South Florida
Randall Rentfro, Nova Southeastern University
Bay O’Leary, Nova Southeastern University

ABSTRACT

This paper examines the topical issue of discouraging young adults from engaging in distracted driving behaviors. While the focus of the paper is on the effectiveness of fear appeals in achieving this objective, the paper also considers the role that distracted driving laws might play. In an experiment involving 840 young adults, we examined whether social marketing fear appeals (1) changed participants’ beliefs about distractions caused by four unsafe driving behaviors and (2) influenced participants’ intentions of engaging in those behaviors. After viewing two fear appeals, participants rated the behaviors as more distracting than they previously believed. However, they reported increased intentions of engaging in the behaviors (a boomerang effect). Males reported greater increases in intentions to engage in two behaviors than those reported by females. We considered these results in light of findings from a separate focus group study of young adults’ reactions to six fear appeals including the two used in this study. The PSAs used in this experiment aroused only low-to-moderate levels of fear in young adults; therefore, the appeals may not have been strong enough to reach young adults on this issue.

As we examined our participants’ responses to open-ended questions, we found some evidence concerning the possible effectiveness of distracted driving laws. The males in our study were much more likely than females to suggest using laws and legal action to discourage distracted driving. Males also were more likely than females to say that fear appeals will not change distracted driving behaviors. Females were supportive of the use of fear appeals and suggested using interviews with people who had been affected by distracted driving accidents as an tool for changing the behaviors of young adults.
USING MARKET ORIENTATION AS A DYNAMIC CAPABILITY WITHIN THE UNIVERSITY

Jun Ma, Indiana University-Purdue University Fort Wayne
Zelimir Todorovic, University-Purdue University Fort Wayne

ABSTRACT

As the globalization of world economy continues, universities are increasingly facing the challenge of being relevant. We examine the role of Market Orientation (MO) in helping universities align their internal resources, and thereby become more relevant to their stakeholders. Using the adapted measure of Narver and Slater (1990), we survey 3072 department chairs of computer science, engineering, and health science departments across US. Our results show that MO is positively correlated to university commercialization. A surprising outcome of our study, two dimensions of MO (Customer orientation and Inter-functional coordination) loaded on the same factor. Our results support the position that external community rather than students represent the appropriate customer definition for universities (under MO theory). We observe that most universities use students (internal stakeholders) as customers, thereby reducing the speed of absorption of information from the external environment. Further, we posit that the identification of external customer will differ with each university.
GROCERY SHOPPING PATTERNS IN MELBOURNE, AUSTRALIA

Martin Meyers, University of Wisconsin - Stevens Point

ABSTRACT

This paper focuses on the role of grocery shopping in Melbourne Australia. Factors that are considered would include location, price, quality of the produce, quality of the meat, quality of the fish, friendly employees, and knowledgeable employees. The paper discusses how marketing strategies have been developed in the Australian grocery market and what improvements could be made.

INTRODUCTION

One reason for selecting Australia is their similarities with the United States when it comes to food consumption. For example, there are 32,330 Subway restaurants worldwide, with 1197 of them located in Australia (www.Subway.com). Approximately 11% of Yum Brands' sales are derived from the Australian market ((www.yumbrands.com). McDonalds is the largest franchisor in Australia (Murphy, 2003).

Another similarity between Australia and the United States would be the existence of large chains in the grocery industry. Coles is Australia's second biggest retailer, and is in the top 20 worldwide. In both countries mergers are making the chains much larger. Westfarmers recently acquired Coles, which is Australia's biggest takeover of all time (Burrow, 2007). Woolworths and Coles buy 70 percent of Australia's bananas (2010)

Another reason for selecting Australia is the fact that American companies often select this region for their first foreign market introductions. For example, the first foreign market introductions for Vanilla Coke were Australia and New Zealand (The Coca Cola Company 2002 Annual Report).

There are differences between the United States and Australia. Australian grocery stores are prohibited by law from entering the $9 billion pharmacy market (Carson, 2008)

There is a requirement for unit pricing in Australian grocery stores. The latest code requires unit pricing for stores that have floor space greater than 1000 meters. This makes it easier for consumers to compare the prices of different brands (Ong and Sutherland, 2009).

In 2006, the total value of Australian food retailing grew more than 6% to $66.4 billion. More than 70% of food expenditures occurred within the supermarket and grocery sector. Of the total value of the food imported into Australia in fiscal 2005-06, the U.S. accounted for $454 million (www.susta.org).

A study in Norway recognized the importance of price in selecting a grocery store. Their results indicated that supermarkets who wish to resist competing purely on the basis of price can...
build customer loyalty by identifying customer segments with distinct preferences for service, convenience, and choices (Landsverk, 2003).

**METHODOLOGY**

A survey was written to measure the perceptions the residents of Melbourne have for Australian grocery stores. They were also asked to rate their level of importance of different factors when selecting a grocery store on a scale of 1 to 5 with 1 signifying very unimportant and 5 signifying very important. They rated price, location, quality of produce, quality of meat, quality of fish, friendly employees, and knowledgeable employees.

A non-probability sample was used. The researcher administered the survey in a variety of different neighborhoods to measure a more representative sample. Some of the neighborhoods included:

- City Center - conservative businesspeople
- Moorabbin - a working class community
- University of Melbourne - academic community
- Chinatown - Asian community
- Lygon Street - Italian community
- Fitzroy - artistic community
- Chapel Street - young, trendy, and wealthy

The researcher visited several different grocery stores in the Melbourne area to compare prices on brown onions, Cadbury chocolate bars, and boxes of Rice Bubbles. In Australia Rice Krispies are called Rice Bubbles. The researcher also visited a few grocery stores in Perth because studies have documented that food is more expensive in Perth than it is in Melbourne (Staff Reporters, 2009). Many studies explain the high prices in Perth on the mining boom (Ryder, 2006). Visits to the grocery store were also useful to learn about customer service, store layout, in-store specials and a variety of other types of information on Australian grocery shopping. Exact prices appear in Appendix 2.

Newspaper advertisements were studied by the researcher to identify price specials and other pieces of information that they stressed.

**SURVEY RESULTS**

Quality of the produce was the most important factor in selecting a grocery store with a score of 4.6. Price came in second place with a score of 4.4 and location came in third place with a score of 4.3. The least important factor is the friendliness of the employees. The survey results appear in appendix 1.
MARKETING IMPLICATIONS

Produce and price should be stressed in the promotional campaigns because they are the most important variable in selecting a grocery store. The newspaper advertisements do stress price. The price specials are clearly printed on the Coles newspaper advertising with the slogan, "something better every day." Further, with a purchase from Coles, one gets a 6 cent a liter discount from a Shell gas station. IGA advertises the price frenzy in their newspaper advertisements. They offer a 4 cent a liter discount for a purchase of gasoline. Woolworths stresses low prices and uses the slogan, "the fresh food people."

Woolworth's recently implemented its Rollback program which offers low prices. Woolworths "rolls back" the prices of some items that many consumers frequently buy (www.superbrands.com.au). The rollback banners are displayed throughout the store. Coles has introduced the price rewind program, which is similar to Woolworth's Rollback program. Coles might have launched the price rewind program to compete against Woolworth's rollback program (Burrow, 2007).

Woolworths introduced a new logo on January 12, 2009. Some of the places where a stylized version of a peeled apple will appear on would include their trucks, above the doors of their supermarkets, and on their shopping bags. This is part of a rebranding strategy that positions them as the grocery store best known for fresh food and quality (Lee, 2009).

The supermarkets are expanding private branded items because they can be offered at lower prices. Coles and Woolworth's are two examples of grocery stores that are expanding their private brands. These two chains have a 75 per cent market share. They claim that they are offering high-quality mainly Australian goods. Brisbane based biscuit and cracker company, Paradise Food Industries, supplies its own brands to Coles, Woolworth's, Aldi's and independent retailers. Paradise Foods considers the increase in private branding to potentially be a good thing for them (couriermail.com.au).

The grocery stores need to focus on carrying high quality produce because it is the most important factor in selecting a grocery store. The researcher noticed the high quality of the produce when visiting each of the grocery stores.

Grocery stores should make preparations for when the ban on grocery stores entering the $9 billion pharmacy market comes to an end. Coles did purchase a small online service called Pharmacy Direct in 2006 for $44 million. Coles recently trademarked the slogan, "the everyday inspired" that might be used when the ban is lifted. Woolworths has tried to register the trademark, "pharmacy-in-supermarket" (Carson, 2008).

FUTURE RESEARCH

Future research will consider the role of organic food due to its increased popularity. The annual growth rate for for the conventional food industry is less than 3 percent. The organic industry has reported several years of an annual growth rate at between 17 to 20 percent (Wesendorf, 2007)

Future research will consider the remote areas. Remote towns are struggling with grocery prices that have been pushed higher by higher fuel costs. It is not unusual for items in the remote...
areas to be almost twice as high as those in the cities (Harvey, 2008). Future research will consider marketing strategies that can be considered in the more isolated communities.

Appendix 1 Importance of Variables in Selecting a Grocery Store

<table>
<thead>
<tr>
<th>Variable</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of produce</td>
<td>4.6</td>
</tr>
<tr>
<td>Price</td>
<td>4.4</td>
</tr>
<tr>
<td>Location</td>
<td>4.3</td>
</tr>
<tr>
<td>Quality of fish</td>
<td>4.0</td>
</tr>
<tr>
<td>Knowledgeable employees</td>
<td>3.9</td>
</tr>
<tr>
<td>Quality of meat</td>
<td>3.8</td>
</tr>
<tr>
<td>Friendly employees</td>
<td>3.6</td>
</tr>
</tbody>
</table>

Note: 1 signifies no importance and 5 signifies very important

Appendix 2 Exact Prices in Grocery Stores

<table>
<thead>
<tr>
<th>STORE</th>
<th>DATE</th>
<th>BROWN</th>
<th>CADBURY</th>
<th>RICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safeway Lygon Street (Melbourne)</td>
<td>1/10/10</td>
<td>$2.38 kg</td>
<td>$3.99</td>
<td>$3.98</td>
</tr>
<tr>
<td>Coles Spencer Street (Melbourne)</td>
<td>1/11/10</td>
<td>$1.95 kg</td>
<td>$3.99</td>
<td>$3.98</td>
</tr>
<tr>
<td>Coles St. Kilda Street (Melbourne)</td>
<td>1/12/10</td>
<td>$1.95 kg</td>
<td>$3.99</td>
<td>$3.98</td>
</tr>
<tr>
<td>Woolworths St. Kilda (Melbourne)</td>
<td>1/12/10</td>
<td>$2.38</td>
<td>$3.99</td>
<td>$3.98</td>
</tr>
<tr>
<td>Woolworths Subiaco (Perth)</td>
<td>1/12/10</td>
<td>$2.98 kg</td>
<td>$3.99</td>
<td>$4.06</td>
</tr>
<tr>
<td>Coles Fremantle (Perth)</td>
<td>12/29/09</td>
<td>$2.89 kg</td>
<td>$3.99</td>
<td>$4.09</td>
</tr>
<tr>
<td>Woolworths City Center (Perth)</td>
<td>1/04/10</td>
<td>$2.98 kg</td>
<td>$3.99</td>
<td>$4.06</td>
</tr>
</tbody>
</table>

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THE IMPACT OF ACCESS, COST, DEMOGRAPHICS, AND INDIVIDUAL CONSTRAINTS, ON HUNTING FREQUENCY AND FUTURE PARTICIPATION

Robert Montgomery, University of Evansville
M Gale Blalock, University of Evansville

ABSTRACT

Hunting is big business. In 2006, 12.5 million U.S. hunting consumers over the age of 16 spent $25 billion hunting. However, the number of hunting consumers over the age of 16 declined 10% from 14 million to 12.5 million between 1996 and 2006 (FHWAR 2006). This trend is particularly worrisome for businesses in the hunting industry because some of the likely reasons for the cause of this trend (e.g., loss of hunting land to urban and suburban development, decline in the number of resident farmers, etc.) are unlikely to go away.

The purpose of this research is to explain some of the underlying causes for the 10% decline in hunting consumers and develop marketing strategies to halt the decline. The data for this study were collected via an online survey of 228 big game hunters that was posted at a popular hunting magazines' official website.

The results indicate that five of the top seven constraints to future hunting are access/opportunity related. The perceptions of this sample are that public crowding (44.3%), access to private land (40.8%), bonus points (39.0%), lotteries (32.9%), and access to public land (32.5%) will limit their future hunting. The biggest personal constraint to their future hunting is lack of time (48.2%). The biggest cost constraint to future hunting is license cost (38.2%), followed by lease cost (20.6%), and equipment cost (18.4%).

The results of this research indicate that access, cost, personal constraints, and demographic trends are contributing to the decline in hunting participation. A good first step for stakeholders in the hunting industry is to create awareness among hunting consumers that there is a decline in hunting participation. Secondly, all stakeholders in the hunting industry need to consider the hunting opportunities of others. If hunting is to survive it may be necessary for hunting consumers to sacrifice personally for the good of all, and ultimately the sport.

Recruiting individuals that aren't raised in a hunting culture is a very challenging marketing task. They simply are not as interested. Therefore, in the short term the low hanging fruit for marketers in the hunting industry is retaining avid hunters and enlisting them as foot soldiers to recruit and initiate new hunters in the name of saving the sport.

Recruiting less avid/infrequent hunters are more likely to quit the sport than avid/frequent hunters. Marketers and governmental agencies need to find a way to increase the satisfaction of this segment maybe by focusing on the fact that hunting offers many benefits such as a challenge, food, being close to nature, fellowship, etc. in addition to harvesting meat.

Finally, hunting is a predominantly white male sport. The recruitment of women and minorities, particularly Hispanics is critical for growth in the hunting industry.
STUDENT PERCEPTIONS OF THE GENDER EFFECT ON THE SELLING PROCESS AND ON TARGETING PROSPECTIVE CUSTOMERS

Musa Pinar, Valparaiso University
J. Russell Hardin, University of South Alabama
Zeliha Eser, Baskent University

ABSTRACT

In recent years, as more women have joined the sales force, women have proven to be as successful as men in the traditionally male-dominated field of selling; yet they still face some barriers in gaining entry to some selling jobs (Fugate et al., 1988; "Pink Ghetto in Sales," 1988). Some barriers are caused by sales managers' beliefs in gender stereotypes (Kanuk, 1978). Several prior studies (Comer and Jolson, 1991; Russ and McNeily, 1988; Swan and Futrell, 1978; Swan, Rink, Kiser and Martin, 1984) of women in sales suggest that stereotypes of women in selling still exist from both managers and potential customers. A study by Comer and Jolson (1991) showed that, according to sales managers' perceptions, the more a saleswoman's behavior resembles the negative gender stereotype, the less effective her selling performance. The current study examines two fundamental issues: (1) whether negative (or positive) gender stereotypes are predictors of, or even associated with, selling performance, and (2) whether gender similarity/dissimilarity between salespersons and potential buyers impacts sales efforts during the selling process and in targeting efforts in finding new customers. These issues have apparently not been addressed by prior research. The current study could have important managerial implications for recruiting and developing effective sales force training programs and strategies.

In order to accomplish the study objectives, a research instrument (questionnaire) was developed, which was adapted from Hardin et al. (2002) and further modified and improved to meet the objectives of this study. Specifically, the survey instrument included a number of questions concerning both sets of study objectives to examine student (as potential salespeople) perceptions of the gender effect during the selling process and targeting and selling efforts. For the first set of objectives, students were told that the selling process consisted of several steps. They were instructed to assume that they were giving a sales presentation and were asked several questions concerning their perceptions of how successful they thought they would be in dealing with male versus female potential buyers in each step of the selling process. For the second set of objectives, the instrument asked students whether they would more likely target to sell to and be more successful in selling to male versus female buyers, and their preference for selling to and focusing their efforts for prospecting on male versus female buyers. The main objective of this study was to investigate applicant perceptions of the gender effect on selling performance during each step/stage of selling process and targeting efforts for prospective buyers. In order to test whether there is any gender effect during any of the selling stages, a one sample t-test was conducted where the test value
Separate analyses were conducted for all students, male students and female students. Since the scale used in the study ranged from "-5=definitely males" to "5=definitely females" with "0=equally likely," the sign of the mean shows the direction of any gender effect, and the t-significance would indicate if the gender effect was significant. Based on the results of the one sample test for all responses, students perceive that they would be more successful in making presentations to female buyers (mean of .41, p < .01), and answering questions from female buyers (mean of .30, p < .01). They also feel they would be somewhat more successful in overcoming objections from female buyers (mean of .19, p < .10). The results indicate that students feel they would be equally successful with male or female buyers in introducing themselves, engaging in a trial close, and in closing the sale. These results suggest the existence of a perceived gender effect (bias) during some stages of selling process where students feel they would be more successful with female buyers than male buyers.

The mean scores of selling efforts show that students, if hired as salespersons, would more strongly attempt to sell to female buyers (mean of .43, p < .01) and would be more successful selling to female buyers (mean of .37, p < .01). These findings suggest the existence of a significant gender effect in targeting and selling to female buyers. If the respondents (students) had a choice as a salesperson, they would prefer selling to female buyers (mean of .34, p < .01). Also, when finding new buyers, the respondents would prefer to focus their efforts on female buyers (mean of .34, p < .01), assuming an equal number of male and female buyers are available. These findings further support the existence of a significant gender effect in favor of female buyers concerning the selling efforts/outcome of potential applicants.

In addition to a gender effect for all students (potential salespeople), separate analyses were conducted to examine whether there were gender effects for male students and female students. The results for male students indicate that the mean scores are not significant for any of the selling steps. These findings suggest that male students feel they will be equally successful in their selling efforts during each step of the selling process to both male and female buyers. These results do not support hypotheses H1a, H2a, H3a, H4a, H5a, and H6a. Similar analyses for female students shows that females seem to feel they would be more successful in making presentations to female buyers (mean of .77, p < .01) and answering questions from female buyers (mean of .68, p < .01). Since the mean scores for the other selling steps are not significant, these results suggest that female students feel equally successful in their selling efforts during the overall selling process to both male and female buyers. Concerning female applicants, hypotheses H2b and H3b are supported, but H1b, H4b, H5b, and H6a are not supported.

Similarly, male and female students' perceptions of targeting efforts were analyzed. The positive signs of the means to all the responses to selling effort questions suggest that male students would more strongly attempt to sell to female buyers (mean of .61), would be more successful in selling to female buyers (mean of .72), would more strongly prefer selling to female buyers (mean of .81), and would prefer to focus more of their efforts on female buyers (mean of .49). All of these results are significant at the p < .01 level. These findings reveal a significant gender effect for male students in their targeting efforts in favor of female buyers. However, the results are opposite of the predictions of the above theories and hypotheses; therefore, H7a, H8a, H9a, and H10a are not supported.
Similar analysis for female students was also conducted. Since none of the means for targeting and selling effort questions are significant, female students don't appear to have any preference for; targeting male versus female buyers, being successful in selling to males versus females, selling to males versus females, nor do they have any preference for focusing their selling efforts on male versus female potential buyers. These findings show that there is no gender effect (from female students) on targeting efforts for potential customers. As a result, hypotheses H7b, H8b, H9b, and H10b are not supported.

Also, the study compared male vs. female student perceptions of the gender effect during each step of the selling process. Comparisons of the mean scores for the selling steps during the selling process suggest that there is no significant difference between male and female students in: confidently introducing themselves to either male or female buyers (p > .05); overcoming objections from male or female buyers (p > .05); engaging in a trial closing (p > .05); and successfully closing the sale (p > .05). However, the study did reveal a significant difference between male and female applicants for two steps of the selling process. The positive signs of the means for making a presentation indicate that both male and female students feel they would be more successful in giving sales presentations to female buyers. It appears that female students feel that they will be significantly more successful (mean of .77) than male students (mean of .09) in making sales presentations to female buyers (p < .01). The results also indicate a significant difference between male and female students in answering questions from buyers (p < .01). A negative sign of the mean for male students indicates that they seem to feel they would be more successful in answering questions from male buyers, whereas the positive sign of the mean for female students indicates that they feel they would be more successful in answering questions from female buyers.

Concerning selling efforts, the mean scores of .61 for male students and .23 for female students suggest that both genders would more strongly attempt (or target) to sell to female buyers. Male students seem to have a stronger preference to target female buyers than female students, where the difference is somewhat significant (p < .10). In terms of selling success, male students perceive they will be more successful selling to female buyers (mean of .72), whereas female students perceive they will be more successful selling to male buyers (.03), where the means are significantly different (p < .01).

In addition, the results illustrate a significant difference between the selling preferences of male and female students (p < .01). If they had a choice, male students would prefer selling to female buyers (mean of .81), while female students would prefer to focus their efforts on finding new male buyers (mean of .13). When finding a new buyer, both male and female students prefer to focus most of their effort on prospecting female buyers; however, the difference was not significant (p > .10). The results regarding selling efforts contradict the predictions of the Similarity-Attraction Paradigm (Byrne, 1971; Byrne & Neuman, 1992; Graves & Powell, 1995). In fact, these findings are the opposite of the predictions of the theories used in this and prior studies. As suggested by Dwyer et al. (1998), it appears that gender similarity would not provide any advantage, and may even reduce sales opportunities.

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SOCIAL NETWORK SITES (SNS)

Roberta J. Schultz, Western Michigan University

ABSTRACT

The rapid adoption of social networking sites worldwide is exciting online marketers with the promise of extremely targeted customer audiences for their products. Whether for fun, family, or business purposes, social networks are the online rolodexes, resumes, singles bars, career fairs, and watering holes of the digital age. Viral marketers are learning to leverage the power of social media. However, this rich area of strategic opportunities has received limited exploration in the marketing literature. To this end, this article explores strategic options of social networking media and managerial and research implications.
CASE STUDIES OF CYBERCRIME AND ITS IMPACT ON MARKETING ACTIVITY AND SHAREHOLDER VALUE

Katherine T. Smith, Texas A&M University
L. Murphy Smith, Texas A&M University
Jacob L. Smith, Texas A&M University

ABSTRACT

Cybercrime, also called e-crime, costs publicly traded companies billions of dollars annually in stolen assets and lost business. Cybercrime can totally disrupt a company's marketing activities. Further, when a company falls prey to cyber criminals, this may cause customers to worry about the security of their business transactions with the company. As a result, a company can lose future business if it is perceived to be vulnerable to cybercrime. Such vulnerability can lead to a decrease in the market value of the company, due to legitimate concerns of financial analysts, investors, and creditors. This study examines 10 case studies of publicly traded companies affected by cybercrime, and its impact on marketing activity and shareholder value. The study also describes some of the major types of cybercrime. Results indicate that costs of cybercrime go beyond stolen assets, lost business, and company reputation; cybercrime has a significant negative effect on shareholder value.
INNOVATION OF SERVICES: A DISCUSSION OF MODELS

John S. Stovall, Georgia Southwestern State University

ABSTRACT

This paper will focus on the development of new services by companies. There will be a literature review, a discussion about the differences between goods and services, comments on the proposed models in the research, and finally, a new model of what will be proposed.

There has been a great deal of research on developing new products. There has also been a great deal of research on the differences in goods and services - and the differences with respect to marketing each. Less research has been conducted on distinguishing between goods and services when studying the new product development process. This paper will focus on these topics:

Johne and Storey (2009) recently published a literature review of developing new services and an annotated bibliography. Although this work is very helpful in understanding the difference between goods and services, it does omit some prior research that could be important in understanding the subject and proposing new ideas. Their work attempted to encompass the vast differences between developing goods and services, and this paper will focus only on developing a new model.

This paper will also lean heavily on de Brentani's findings that services need to be developed differently than goods - and some of her results from a survey have been supported in several different research papers since then. This paper will examine research conducted since the discussion began in earnest in 1989.

There have been several models developed that range in time from Stovall's 1994 model to the most recent model developed in the literature in 2009 by Song, Song, and Di Benedetto. Pros and Cons of all models will be discussed along with a new model proposal in this paper.

This topic is interesting because developing a new service, and the degree of success in the marketplace, has much more impact on the firms other offerings compared to the success/failure that a tangible good has on the firms other products. Typically, the new product development literature does not distinguish different methods to develop products between goods and services. There seems to be ample evidence that some differences do exist - and the goal of this paper is to point out some that are needed.

REFERENCES


A PROPOSITIONAL INVENTORY FOR INVESTIGATING THE ROLE OF COMPETITION LEVEL AND STRUCTURE IN THE DIFFUSION PROCESS

Maneesh Thakkar, Radford University
Suri Weisfeld-Spolter, Nova Southeastern University

ABSTRACT

Rogers defines diffusion as a process by which an innovation is communicated through certain channels over time among the members of a social system. The inherent factor in diffusion process is the factor of newness and the uncertainty that is associated with the level of acceptance of this newness. But the bottom line is how the innovation gets into the mainstream. The effect of number of firms on the sales take off has been currently, under study. And the initial results are proving the hypothesis that the take off in the number of firms always precedes the take off in sales. The firms competing in any given industry within a single country would consist of domestic firms and international (foreign) firms. Thus, when we study the effects of take off, it would be appropriate to look at the take off in the both categories of firms. Is there a possibility that the real effect in terms of sales take off takes place when the take off occurs in the number of domestic firms? The answer to such a question can only be arrived at by an empirical analysis of the data pertaining to the number of firms in an industry in a country across a period of over 10-12 or more years.

Further, the take-off in the number of firms and the relationship between the rates of diffusion could also be studied. In this way, the impact of number of firms on the 'q' of the Bass Diffusion Model (BDM) could also be examined. It could be proposed that the number of firms would beyond a certain level have an accelerating effect on the rate of diffusion i.e. the 'q' would increase. Apart from the jump in the 'q' the sales peak would also approach earlier. We present a series of hypotheses explicating plausible effects of nature of competition on diffusion of innovation in a country.
GREEN MARKETING: MAKING SENSE OF THE SITUATION

Leslie J. Vermillion  The University of the District of Columbia
Justin Peart, St. Thomas University

ABSTRACT

This paper reviews some of the literature on green marketing. The document will present information on various strands of the green marketing arena. We will discuss reports on some of the many unresolved issues that seem to make the marketing of green products less successful despite the contention that the world is becoming more concerned about the environment and man's impact on it. We discuss four interrelated issues of importance to the green marketing arena, expense of green products, a concern about the perceived quality level of many green products, perceived benefits and deceptive green advertising. Our discussion develops a set of propositions on benefit segmentation and persuasive communication which will guide our future research in this area.

INTRODUCTION

Global warming, cap and trade, sustainability and other environmentally focused issues are constantly in the news. Many consumers purchase 'green' products in their individual attempt to be environmentally friendly. Yet we know that firms which focus on marketing these products do not out perform their peers in the marketplace. In fact some evidence exists that suggests that firms' which market or promote 'green' may actually underperform their competitor's. For instance it has been shown that the firms which received the ISO 14001 certification experienced a negative market value associated with that certification. (Canon-de-Francia and Garces-Ayerbe 2009) While disclosure of environmental policies has been seen to positively impact profitability, there appears to be a ceiling on this. (Connelly and Limpaphayon 2004) Alternative energy firms have suffered in the last few years in part because the actual demand for solar panels and wind turbines has not kept pace with supply. (Shinkle 2010)

This paper will review some of the literature that generally addresses market place success and will describe marketing alternatives that may enhance firms' ability to both protect the environment and enhance profitability. We focus on two issues, segmentation and communication format which we believe will prove beneficial to more fully understanding this area.

Green consumers are changing in significant ways. The trend is that consumers are moving to greener products. The Mintel organization reported results from a study which indicated that the number of consumers' who do buy green, has tripled in recent years. (Makower 2007) Further, it found that the numbers of customers, who never buy green products, has decreased by half. Consumers appear most willing to buy "green" household products but tend not to buy environmentally friendly clothes, personal care or toys. Mintel's studies identified the green
consumer by demographic characteristics. Green consumers are sometimes thought to be younger, better educated and more upscale than their non green counterparts. 18-24 year olds, who constitute the youngest age group studied, are the greenest consumers by far. (Makower 2007) Yet other research has found no significant age difference impacting the consumption of green products. (Pickett-Baker and Ozaki 2008) Compounding this issue is the notion that this group of consumers is the least susceptible to traditional advertising messages and formats. (Shrum, McCarty and Lowrey 1995) The consumer products firm Seventh Generation, a pioneer in marketing green products, has experienced substantial growth in sales to over $100 million annually in part by the use of blogs and reaching out to college students in order to get them to demand that the universities use their environmentally friendly products. (Neff 2007) According to their studies, Hispanic and Asian populations are more likely to be green consumers than African Americans. Consumers with higher education levels are more inclined to buy green. (Mintel 2008)

**CHANGING VALUES OF GREEN CONSUMERS**

GFK Roper's Green Gauge annually surveys Americans' attitudes towards green shopping. The Green Gauge reports that only 41 percent of Americans say that their concern for the environment is 'very serious and should be a priority for everyone.' Another 41 percent said that their concern about the environment is 'somewhat serious, but there are other more important issues that we need to address', " (Makower 2009) With all the media attention to the decline of our environment, why isn't environmental consumerism more important to consumers? There may be three answers. These include the cost of greener products, the perceived lack of functionality and quality of greener products and consumers who are wary of green-marketing ploys. Green Gauge reports that 74% of consumers say greener products are too expensive, 61% say that greener products don't work as well, and 55% believe that products that claim to be "environmentally safe" are not what they claim. (Makower 2009) It is argued that companies too often entice consumers to buy products that are represented to be greener and are marketed towards those having environmental concerns when the products themselves warrant purchasing for other reasons than just being greener. (Woody 2008, 2009) Can advertisers market their product in an effective way other than simply representing their products as just being greener?

Consumers claim to care about the environment but seem to only make green purchasing decisions when there are immediate and tangible benefits other than being more environmentally friendly. Walmart the retailing mega giant has had considerable success with a green marketing campaign based towards a consumer euphemistically called 'The Walmart Mom' (Brandweek 2009) These consumers are found to be very willing to go green. But the product must not compromise the lifestyle of her family. As long as the green product is of high quality and is reasonably priced this consumer is very reachable. Walmart's marketing campaign is therefore brand and benefit specific without focusing on the Walmart brand. The Boston Consulting Group (Manget 2009) reported that a consumer will not pay for a product based solely on its green attribute, that there must be some added value to the product such as better taste, better safety, or to help the customers save money (such as on a gas bill). It appears that brand reputation matters most to people when making a green purchasing decision. Only nine percent use green advertising as their main criteria. (Green Seal 2009)
QUESTIONS ON THE QUALITY OF GREEN GOODS

Research on consumer's attitudes towards green goods has produced conflicting results in its analysis of whether or not consumers believe green products are of lower or higher quality. Green goods were originally stamped with a bad reputation for quality in the 1970s when natural green detergents were introduced at high prices, wouldn't clean well, and would clog up consumers' washing machines. (Shoemaker 2005) Ottman (2002) states that 42% of people think that green products don't work as well as conventional ones. Will a consumer go green despite a drop in quality? And how can companies combat this misconception that their greener products don't perform as well as regular ones? Furthermore, grouping green products into one category is outdated because consumers' attitudes toward green products vary between industries. (Manget 2009) BCG's study looked at ingestible products, products applied to the body, wearable products, plug in products and disposable products. Although results did vary between products almost half of the respondents in the countries surveyed indicated that green products offer comparable or superior quality over conventional alternatives.

DECEPTIVE ADVERTISING

Environmental marketing claims are often vague and confusing. Many companies tend to exaggerate the environmental benefits of using their products. Some companies may also mislead consumers about the biodegradability and recyclability of their products. The term "green washing" refers to the deceptive practice of companies' attempts to make themselves appear more environmentally friendly than they actually are. (Deen 2002) Many environmental organizations, such as Resources for Living Green, are also taking action to prevent corporations from deceiving consumers about the eco-friendliness of their products. Resources for Living Green, for instance, published a report called "America's Ten Worst Greenwashers," which accused major companies including Ford, BP, and General Motors of making false environmental claims. Other organizations advocate the boycotting of companies who are not environmentally responsible. (Thegreenlifeonline 2009)

EXPENSE OF GREEN PRODUCTS

There appears to be contrasting views on how much U.S. consumers value green products and whether they are able to pay more money for them. On one hand, surveys have shown that despite the economic downturn people say they are still willing to buy green products. (Greenseal 2009) According to the 2009 National Green Buying Research survey, four out of five people claim to still be buying green products throughout the recession. Alternatively it has been observed that when consumers are forced to cut back on spending, green products are the first to go. (Ridgely 2008) The consumer seems to be in favor of green but whether or not the consumer is willing to pay for green remains unanswered. The effects of the weakening economy are taking their tolls on people's budgets. This creates tension between the desire for high family value and supporting sustainable products. It forces people to choose between emotional desires and economic budget decisions. There are signs that consumer purchasing behavior changes as people adjust to fulfill their
needs with less money. Some 65% of consumers feel that paying more for sustainable products is not an option. This suggests the need for brands to respond to growing consumer demands for value or from their green products.

**DIRECTIONS FOR FUTURE RESEARCH**

There have been attempts to successfully segment the markets for green consumption. These include gender, (Shrum, McCarty and Lowery 1995) age (Lee 2008), and psychographic factors (Finistera do Paco, Raposo, and Filho 2009). Perhaps more interesting is the Brand week (2008) piece on the 'Walmart mom" which described Walmart's successful attempt to market green products. Walmart has focused on promoting products based predominantly on the benefit to the Walmart Mom, who is willing to buy green but not willing to reduce the value of the offerings she purchases for her family. Interestingly Walmart has avoided promoting the Walmart brand, focusing instead on the individual product. We have developed the following propositions as the next step for our research.

**P1:** Green consumers will be driven by the personal or familial benefits of the product more so than the green benefits.

**P2A:** Consumer segments who are strongly predisposed to buy green products distrust much of 'green' advertising.

**P2B:** This is most prevalent for young consumers than their older counterparts.

**P3:** Marketers should consider alternative methodologies in reaching those who are predisposed to buying green.

**P4:** Consumers with neither strong positive nor strong negative attitudes towards green products are more likely to be persuaded by a non green benefits message than a green message.

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ALASKAN IMAGE PERCEPTIONS OF KOREA: IMPLICATIONS FOR TOURISM MARKETING

Brandon Walcutt, Hankuk University of Foreign Studies

ABSTRACT

Image plays a significant influencing role in destination selection. This study was conducted with the specific goal of determining the destination images of Korea as perceived by both Alaskan travelers and travel agents as relative proxies for potential travelers and tourism industry representatives in the general US population. Components of the image construct were identified through the use of a balanced framework that used structured and unstructured data to incorporate both the perceptions of functional attributes as well as holistic, psychological images. The results showed that both groups possess substantially different overall images of the same region of which are, to a large degree, contrary to the destination image that is promoted by the marketers of Korea. In addition, both groups felt they possess significant amounts of uncertainty regarding their levels of destination information despite mixed results in actual knowledge. Recommendations on improving the region’s destination image included the development and long-term marketing of a consistent, clear and unique image of modern Korea as well as the cultivation of former residents and travelers as goodwill ambassadors. This study offers valuable direction to Korean tourism officials and marketers to better promote the region to both Alaskans and Americans overall.

Key Words: Korea, Destination Image, Destination Selection, Tourism
IS A DESIGNER ONLY AS GOOD AS A STAR WHO WEARS HER CLOTHES? EXAMINING THE ROLES OF CELEBRITIES AS OPINION LEADERS FOR THE DIFFUSION OF FASHION IN THE US TEEN MARKET

Suri Weisfeld-Spolter, Nova Southeastern University
Maneesh Thakkar, Radford University

ABSTRACT

The early adopter category has a tremendous impact on the successful adoption of a fashion by the masses. More specifically, the opinion leaders in this category are key members of society that are crucial in disseminating information on the latest fashion trends to the rest of the population. Opinion leadership is defined as "the degree to which an individual is able to influence other individual's attitudes or overt behavior informally in a desired way with relative frequency" (Rogers, 1995). If designers can determine who these opinion leaders are, and target them effectively, then the introduction of a particular fashion has a much higher probability of becoming adopted. We propose that for the fashion industry, specifically for the teen market, celebrities are key opinion leaders in influencing them to adopt a new style. The objective of this paper therefore is to explore the roles of celebrities in the diffusion of fashion amongst teenagers in the United States by examining them as opinion leaders who influence teens to try and ultimately adopt new fashion styles.

Our research shows that the effect of seeing a celebrity wearing a particular style in a commercial or some other paid form of advertisement was much less effective for teens than seeing them on an award show or pictured casually in a magazine, which they felt displayed a more real and legitimate image. Apparently, credibility was a big issue for the teens and they felt that being paid to wear something was not reflective of personal tastes or likes by the celebrities and therefore would not be influential in getting them to adopt a new fashion.
A CASE OF A MERGER AND ACQUISITION MEGA BLIND SPOT

J.D. Williams, Kutztown University

ABSTRACT

The world has seemed fixated on growth through merger and acquisition (M&A) as evidenced by the thousands of mergers that have taken place over this past decade. This manuscript will not challenge the rationale of M&A mania, although some manuscripts should. However, this paper has uncovered a flaw in the M&A process that has blinded the financial and managerial sectors. While determining the M&A cost-benefits of the joint relationship, the role of marketing has been diffused or just left out.

INTRODUCTION

A recent article written by Richard Ettenson and Jonathan Knowles entitled M&A Blind Spot, has suggested a glaring deficiency of incorporating marketing models of product mix, branding, promotion schemes, distribution and pricing systems within the M&A process has sparked my interest in extending that initial research (Ettenson & Knowles, 2007). The net of the Ettenson & Knowles argument has posed an interesting position for the traditionally financially-based M&A managers. The implications of a lack of marketing information, which may undermine the overall synergistic relationship of the financial position of the merger, could be devastating. The total worldwide value of mergers and acquisitions topped $2.7 trillion in 2005, a 38% increase over the previous year (Ettenson & Knowles). Consider the potential losses if only 20% of the M&As were conducted without marketing due diligence.

ISSUES WITHIN M&A DECISION PROCESS

Business combinations, formed through mergers or acquisitions, bring together both intangible and tangible resources. Thus, the acquisition of patents, mineral rights, research, customer databases, or management expertise may be a primary motivating factor in a particular business consolidation. For example, when IBM purchased Lotus Development Corp., $1.84 billion of the total cost of $3.2 billion was allocated to purchase research and development in process (Beam et. al., 2006).

Other reasons for firms to combine businesses over other forms of expansion may be for Cost advantages, lower risks, fewer operational/channel delays, tax advantages, for personal income and estate-tax advantages, and for personal reasons, including protection from hostile takeovers, pride/ego and greed (Beam).

Operating synergies may take a variety of forms, whether the merger was vertical or horizontal. Such combination with an existing company provides management of the acquired firm
with an established operating unit with its own experienced personnel, regular suppliers, productive facilities, and distribution channels. In the case of vertical mergers, synergies may result from the elimination of certain costs related to negotiation, bargaining, and coordination between the parties. In the case of a horizontal merger, potential synergies include the combination of sales forces, facilities, outlets, and the elimination of unnecessary redundant cost factors (Jeter & Chaney, 2007).

Measurement of acquisition performance seems to vary across disciplines and industries. It is due to the difference of approaches which tend to vary from subjective dimensions (e.g., qualitative assessments of degrees of synergy realizations, of integration process efficiency, and of strategic gap reduction) to objective measurement methodologies (e.g., financial and accounting figures), from short-term (e.g., a few days/weeks before and after the acquisition announcement) to long-term (up to 5-years after the closing) time horizons, from organizational level of analysis (e.g., improvement of the firms competitive position) to a process or transition level (e.g., quality of the post acquisition plans, magnitude of premium paid, etc.) (Zollo & Meier, 2008).

The qualitative component of the aforementioned M&A decision process would be able to absorb a significant portion of marketing data in that over 50% of marketing is considered soft-side performance criteria (i.e. perceptions, desires, likes, dislikes & personal values). However, marketing also shares many components that are by nature, quantitative in their constructs (i.e. product production costs, break-even analysis, pricing strategies, logistic costs, & promotion cost/benefit analysis). The complete relationship model of performance constructs would look like this:

Professionals, who valuate businesses, generally do not use just one of these methods but a combination of some of them, as well as possibly others that are not mentioned above, in order to obtain a more accurate value. These values are determined for the most part by looking at a company's balance sheet and/or income statement and withdrawing the appropriate information (Brigham, 2007).

Accurate business valuation is one of the most important aspects of M&A as valuations like these will have a major impact on the price that a business will be sold for. Most often this information is expressed in a Letter of Opinion of Value (LOV) when the business is being valued for interest's sake. There are other, more detailed ways of expressing the value of a business. These reports generally get more detailed and expensive as the size of a company increases; however, this is not always the case as there are many complicated industries which require more attention to detail, regardless of size (Cartwright, 2006 & Harwood, 2006).

According to Ettenson & Knowles, M&As has hardly been stellar: More often than not, such deals end up destroying, instead of creating value for the companies involved. A big part of the problem is that of all the myriad complex decisions that senior executives make before and during a merger, one is mandatory and critical but often given short shrift: the branding of the new corporate entity. That can be a huge blunder. With no solid brand platform to work from, company integration will often be mismanaged, and communications to key constituencies will necessarily suffer. In the worst of situations, the relationship between the two organizations becomes contentious; promised synergies remain elusive; employees become distrustful and disgruntled; and customers grow cynical and dissatisfied (Ettenson & Knowles).
THE MARKETING PROCESS

The marketing process is more robust and complex than at any time in history. "The focus of marketing has correspondingly shifted over the years. Marketing evolved through a commodity focus, an institutional focus, a functional focus, a managerial focus, and a social focus. Each new focus had its advocates and social impact. Marketing emerged each time with a refreshed and expanded self-concept (Kotler, 1972)." "A substantial increase in buying power, a greater variety of available goods and services, a great amount of information about practically anything, a greater ease in interacting and placing and receiving orders, an ability to compare notes on products and services (Kotler, 2004)." The marketing process represents the key analysis elements which should be included in the M&A analysis.

A WALK DOWN M&A LANE

There are two principle reasons why M&As fail. First, to acquire a company, one has to pay more than its worth (commonly known as a premium) - "10 to 15 percent above market value," stated by Dan Dalton, a professor at Indiana University's Kelley School of Business, who says the extra cost covers the premium necessary to convince a company to sell as well as the debt the buyer assumes to fund the acquisition. The result is that the acquirers invariably start off in the hole.' The second problem is that while acquisitions are almost always made with clear goals in mind, integrating the two companies can take so long that it throws off the calculations that were used to determine whether the deal was a good idea in the first place." One must wonder, what are those factors that have taken so long to realize their merits, contributions, or negative performance impacts of the combined firm? Was it the marketing performance, hum?

High-profile deals like Bank of America Corp.'s $36 billion acquisition of credit-card issuer MBNA Corp. might have garnered the front-page headlines, but such blockbusters represent just a small proportion of overall activity (Ettenson & Knowles). The infusion of ideas, perspectives and processes that result from an acquisition can create lasting benefits and long-term value for the acquiring company (Vermeulen, 2005). When one company acquires another, executives have 10 distinct options for the corporate rebranding. Selecting the right strategy can set forth a compelling vision for the combined entity and send important signals to employees and the outside world (Ettenson & Knowles).

A critical question would be what percentage of M&A creates shareholder value? An optimistic guess of 90 percent or more would be commonplace. It turns out that M&A create value only about 20 percent of the time. That abysmally low success rate includes all industries including banks. This may be due to firms having created a biased canopy of knowledge when they focused too much on the financial, accounting and management aspects of a deal and neglect the important marketing particulars (Walker, 2007).

One of the great success stories in banking has been Golden West Financial Corporation preceding its buyout by Wachovia in 2006. During this period, the thrift outpaced the SNL thrift index by 62 percent and the SNL bank index by more than a factor of two. The growth over the last decade at Golden West was entirely organic; this bank did not play the M&A game. Yet, it racked up a total return of 738% during the last 10 years of existence, while the thrift index recorded a 402
percent return. Obviously, Golden West had an effective and well-implemented marketing plan for organic growth (Walker, 2007).

Bankers tend to think in financial terms; in fact many agree that M&A analysis has been taught throughout the business community using fundamentally a financial paradigm. It could even be said with a modicum of truth that what the bankers do, so does the business community. This makes sense when one considers the funding source for most M&As.

A combination of two businesses makes sense when the value of the combination exceeds the aggregate value of the two separate firms. Often the decision comes down to how much costs can be cut after two financially-minded institutions are combined. Ettenson and Knowles make the case that to improve the odds of success from M&A there should be someone who pays attention to marketing details at the negotiation table (Ettenson & Knowles).

These are marketing questions that require a firm understanding of marketing. Yet, many banks have not developed nearly as much human capital in the marketing area as in the finance area. Financial managers and marketing managers need to work jointly to decide if a target bank complements their bank's strengths and makes for an enterprise that is more valuable than the sum of the parts. Assessing the synergistic potential is as much a marketing exercise as a financial exercise (Walker, 2007).

Some experts believe that there is excess banking capacity that makes further consolidation likely in the banking industry. How much of the potential value creation will be squandered by ignoring the M&A blind spot (Walker, 2007)? By having someone in charge of marketing during the negotiations and implementation of a merger or acquisition and how the combined entity can bring greater value to customers (Ettenson and Knowles).

One of the fastest ways to recover the invested premium would be actively address the marketing synergistic characteristics. For example, source products from the merger that reflect high growth in strong demand markets or review the policies associated with products that have matured in terms of their cost management strategies and new niche market opportunities.

A businesses economics engine is its marketing. From the age-old concepts of supply and demand to the econometrics of consumption, most all of these profoundly important models are, from a micro perspective, actually addressing marketing processes and activities. It is also quite evident that no two firms conduct their marketing in the same way. Some lead the market while others lag, some focus on big business deals while others target small to medium operations, some exclusively conduct industrial marketing while others may have pin pointed their marketing activities with the consumers. A lack of marketing synergy between the two firms will likely undermine the overall marketing performance.

High-quality personnel from sales and sales management might present serious issues if lost in the merger because these persons may very well take existing clients and other sales persons with them on to a competitor.

A firm's customers and suppliers are central components to a market-driven marketing strategy and should not be taken for granted. Customers and suppliers have choices and will likely exercise those options if they feel uncomfortable with the newly merged relationship.
RESEARCH FINDINGS


A novel concept would be to design a model of a firm's marketing expectations as a merger/acquisition analysis component. The primary company, within the merger or acquisition, should consider designing a weighted-element matrix of key marketing components of the firm being acquired. Weighted Value of a firm's M&A Marketing Expectations = YME, where 'n' represents the selected evaluation of the potential merged firms marketing component position.

\[ YME = 5(\text{XML})^n + 3(\text{XMS})^n + 2(\text{XMA})^n + 3(\text{XIA})^n + 2(\text{XTM})^n + 5(\text{XPS})^n + 2(\text{XL})^n + 4(\text{XPM})^n + 2(\text{XP})^n + 4(\text{XMC})^n + 2(\text{XMC})^n + 3(\text{XNMS})^n \]

CONCLUSION

Typically, the pre-merger discovery process limits itself to verifying the potential of hard assets such as property, equipment, patents and existing service contracts. A marketer would also look at 'relational' assets that drive cash flow, such as corporate reputation, goodwill and the brand(s) itself/themselves. (Ettenson, 2007)

Similarly, due-diligence teams largely have looked for 'deal-breakers' that could prevent an M&A deal from closing. But, a highly qualified marketer would have also viewed 'deal-makers'- factors that would enhance the chances of success after the merger, such as the strategic use of the corporate brand(s). (Ettenson)

The role of marketing and finance needs to be better understood in terms of their synergistic value- the sum being greater than the parts. This may be no more important than in the planning and execution of either a merger or acquisition. The contributions of knowledge from both sides could easily alter or adjust the decision process for the merger deal or enhance the prospective outcomes. Marketers need to sit at the M&A tables of discussion.

Marketers may be as much to blame for their lack of participation in M&A deals. Breakthroughs can be summed up by the following: Marketers must be very good at shaking up their company, it is not just a matter of improving; it's about creating new markets, creating new categories, in order to become more customer driven and market driving firms. Marketers should be the ones who are shaking up their companies with new ideas and visions with the M&A environment.
WHEN ARE PEOPLE MORE SATISFIED WITH THEIR CONSUMPTION?: SPENDING TIME VS SPENDING MONEY AS CURRENCY

Lee Yoonjae, Seoul National University
Song Sangyeon, Seoul National University
Kim Byungjae, Sangmyung University

ABSTRACT

Both time and money can be considered as resources, but many studies have shown that they have different characteristics and impacts on consumer behavior. In this study, the authors have focused on the difference between spending time and spending money as currency. We suggest that expenditure of time activates eudemonic orientation; expenditure of money activates hedonistic orientation. People who spent their time as currency will pursue the meaning of exchange, while people who spent their money as currency will pursue the pleasure of exchange by distinct activated orientation.

In this way, people in evaluation of their purchase of hedonic products that evoke positive emotion (pleasure) tend to report higher overall satisfaction for the target product when they spent money rather than time. Moreover personal involvement for the target product will make people seek positive meaning, hence they are more satisfied when they have spent time rather than money.

INTRODUCTION

Time and money are fundamental resources for human life. These two resources are closely related but have different impact on consumer behavior (Liu & Aaker, 2008). Existing studies show the different values and effects of these two resources (Zauberman & Lynch, 2005; Okada & Hoch, 2004; Liu & Aaker, 2007; Carstensen et al., 1999; Williams & Drolet, 2005; Trope & Liberman, 2003; Vohs et al., 2006; Soman, 2001; Hoch & Ha, 1986; Hsee, 1995, 1996; Frieman & Neumann, 1980; Hoskin, 1980).

Some studies focused on the value of time and money. Time is more ambiguous in value, compared to money (Okada & Hoch, 2004; Zauberman & Lynch, 2005). Hence, people tend to be more lenient in their time (Zauberman & Lynch 2005), and people can easily justify their consumption of time. Furthermore, some studies focused on the mind-sets that can be evoked by either time or money. Time activates emotional mind-set which involves experiences and also makes people pursue emotional meaning. Money activates value maximization mind-set which drive people to pursue economic utility (Liu & Aaker, 2008; Cartensen et al., 1999; Van Boven & Loewenstein, 2003; Vohs et al., 2006).

The authors suggest that time and money as currency has distinct influence to human orientation. Time necessarily involves experience, so if one is asked to pay time for donation, then
one will cherish the emotional meaning (Liu & Aaker, 2008). If one can use time as currency, then people imagine the experience, and the effort they would devote. Therefore, we would like to contend that time as currency is represented as effort. A person's effort makes one pursue eudemonic values, the 'pursuit of meaning'. Meanwhile, if one use money as currency, one will see the currency as a medium of exchange, and the representation of money will be budget, or ability. In this case, people will pursue hedonic values, the 'pursuit of pleasure' rather than pursuing meaning of the exchange.

According to these distinctive activated orientations, people will evaluate their exchange differently by what they use as currency. For hedonic product, people try to find positive emotion by the consumption. Thus people who spend money as currency will be satisfied more on the consumption than people who spend time as currency. On the contrary, people who have high involvement on target product will be satisfied more when they spent their time in comparison to money. Since high involvement implies higher self-relevance, and self-importance, people try to find meaning when they consume high-involvement product.

**AMBIGUITY OF TIME RESOURCE**

Researches on value of time and money suggest that time has more ambiguous value than money. People tend to be more slack in time (Zauberman & Lynch, 2005). Okada & Hoch (2004) investigated the difference between time spending and money spending. They argue that people prefer spending time to spending money for riskier events, while people prefer spending money on lower risk events. In the same manner, when it comes to spending time people choose more risk-prone alternative, while for spending money people show risk-aversive behavior. Such phenomenon results from ambiguity of time value. To the contrary, when people use time as currency, it is easier to accommodate and to rationalize consumption.

Okada (2005) suggested that people use more time (vs. money) on hedonic products, and pay more money (vs. time) on utilitarian products. This is because opportunity cost of money is obvious, and that opportunity cost of time is vague. People can easily justify spending time because the value of time is flexible, so people can pay more time to hedonic products. Such behavior is called elastic justification, which implies that people tend to be more opportunistic on consumption of the time (Hsee, 1996). Money has its own liquid market and can also be saved. On the other hand, time does not have a readily exchangeable market and cannot be inventoried (Okada & Hoch, 2004). In this sense, opportunity cost of time is ambiguous because it is hard to estimate other best use for time spending. So time is more ambiguous as currency, in that there can exist many interpretations for spending time.

**TIME AND MIND-SETS**

Liu & Aaker (2008) demonstrated 'time-ask effect.' They asked individuals for donation of either time or money and individuals increased their donation when they were asked for donation of time first. This is because asking for time activates different mind-set from when asking for money. When people had been asked for donation of time first, their emotional meaning mind-set
was activated; while people had been asked for donation of money first, their value maximization mindset was activated.

Individuals' representation of time is more closely related to emotional meaning (Liu & Aaker 2008, Cartensen et al., 1999), whereas representation of money is more closely related to its economic utility (Vohs et al., 2006). Thinking of time evokes people experience associated with specific emotions and feelings (Schwarz & Clore, 1996). People can drag out their emotions and feelings and activate it. Accordingly, people are motivated towards positive emotion (Pham, 1998) and people are salient with emotional meaning as well. Thus, people try to pursue emotionally meaningful alternatives when they were primed by time (Liu & Aaker, 2008).

MENTAL ORIENTATION OF TIME AND MONEY SPENDING

In this part of study, we suggest that people have distinct mental orientation for time currency and money currency. When people use time or money as currency, such consumption would have different impacts on consumer behavior, especially on overall satisfaction for the acquired products.

Various researches on happiness have dealt with orientation to happiness. One is hedonism. People achieve happiness by maximizing their pleasure and minimizing their pain, so consequently people pursue pleasure. The other is eudemonia. People achieve happiness by being true to their inner selves, therefore people pursue meaning of life to such end (King & Napa, 1998; Peterson et al., 2005).

The mental orientation of time currency will is 'eudemonia'. This is because when people think about exchange of their time for a product, they become engaged to their experience which would be devoted to the transaction. This involves personal exertion, hard work, and others. On such accounts individuals shall be eudemonic-oriented, and also seek the meaning of the transaction.

The mental orientation of money currency is 'hedonism'. Money has its own absolute value, thus people will not attach emotional values in money currency. Many researches on money suggested that money evokes rational cognitive function (Pham, 2007), and state of cold empathy (Van Boven & Loewnstein, 2003). However, from the currency perspective, money is a power to buy some product that individual wants. Therefore, money spending individuals will seek more positive emotions like pleasure involved with the transaction than time spending individuals.

Consequently, people who pay time for a hedonic product would be less satisfied. This is because time currency is oriented towards eudemonia and also that people try to find positive meaning for the transaction rather than pleasure. Moreover, people who spend time for personal high-involvement product would be more satisfied than people who spend money, largely due to the fact that high-involvement infers higher self-relevence and higher self-meaning, also higher-self importance is closely related to positive meaning.

PILOT STUDY 1: HEDONIC VS UTILITARIAN PRODUCT

We assume that people who spend money currency on hedonic product will be more satisfied than those who spend time. The participants were 24 undergraduate students in Seoul, Korea.
There were two kinds of currency: time and money. And we used 2*2 between subject design(Product: Hedonic vs Utilitarian, Currency: Time vs Money). Hedonic product here was stylish shirts and utilitarian product for the study was training pants. Manipulation check confirmed the soundness of the study. The result was figure 1.

![Graph showing interaction effect](image)

Although the resulting interaction effect were not significant (p=.142), however the sample size were very small in the case (Hedonic/Money: 13 samples, Hedonic/Time: 11 samples), and thus with expanded sample set we could expect significant interaction effect. To conclude, people who spent money on hedonic products were more satisfied than who spent time (p<.05).

**PILOT STUDY 2: HIGH VS LOW INVOLVEMENT**

Our assumption here was that people who have higher involvement will get higher satisfaction when they spend time currency rather than money currency. The participant were same as pilot study 2 and we employed 2*2 between subject design(Involvement: High vs Low, Currency: Time vs Money). We presented a cell-phone to the participants, and participants' involvement for the target product was measured. The participants were categorized in two groups by median-spilt. The result was figure 2.

![Graph showing interaction effect](image)
Our expected interaction effect was significant in the case \( p < .001 \). People who spent time were more satisfied with the transaction when in high involvement compared to those who spent money (marginally significant, \( p = .053 \)). The outcome suggests that mental orientation of time spending could be the eudemonic which drives people to find meanings.

**REFERENCES**


